ADDISON®

annual comprehensive FINANCIAL REPORT

For the fiscal year ended

SEPTEMBER 30,

2024

Town of Addison, Texas

Town of Addison, Texas

Annual Comprehensive Financial Report

For the Year Ended September 30, 2024

City Council

	Expiration of Term
Bruce Arfsten, Mayor	May 2025
Darren Gardner, Mayor Pro Tempore	May 2026
Nancy Craig, Deputy Mayor Pro Tempore	May 2025
Chris DeFrancisco, Council Member	May 2026
Howard Freed, Council Member	May 2026
Dan Liscio, Council Member	May 2025
Marlin Willesen, Council Member	May 2025

City Manager

David Gaines

Prepared by the
Department of Finance

Steven Glickman, CPA, CGFO, Chief Financial Officer
Amanda Turner, CPA, CGFO, Assistant Director of Finance
Kristen Solares, CGFO, Budget Manager
Tandi Dickey, CGFO, Controller
Ismael Villalta, CPA, CGFO, Accounting Manager
Ben Nguyen, CGFO, Senior Treasury Analyst
Sabr Nuru, Senior Accountant
Daniel Cardona, Accountant
Sangeeta Garg, Payroll Account

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Town of Addison, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024

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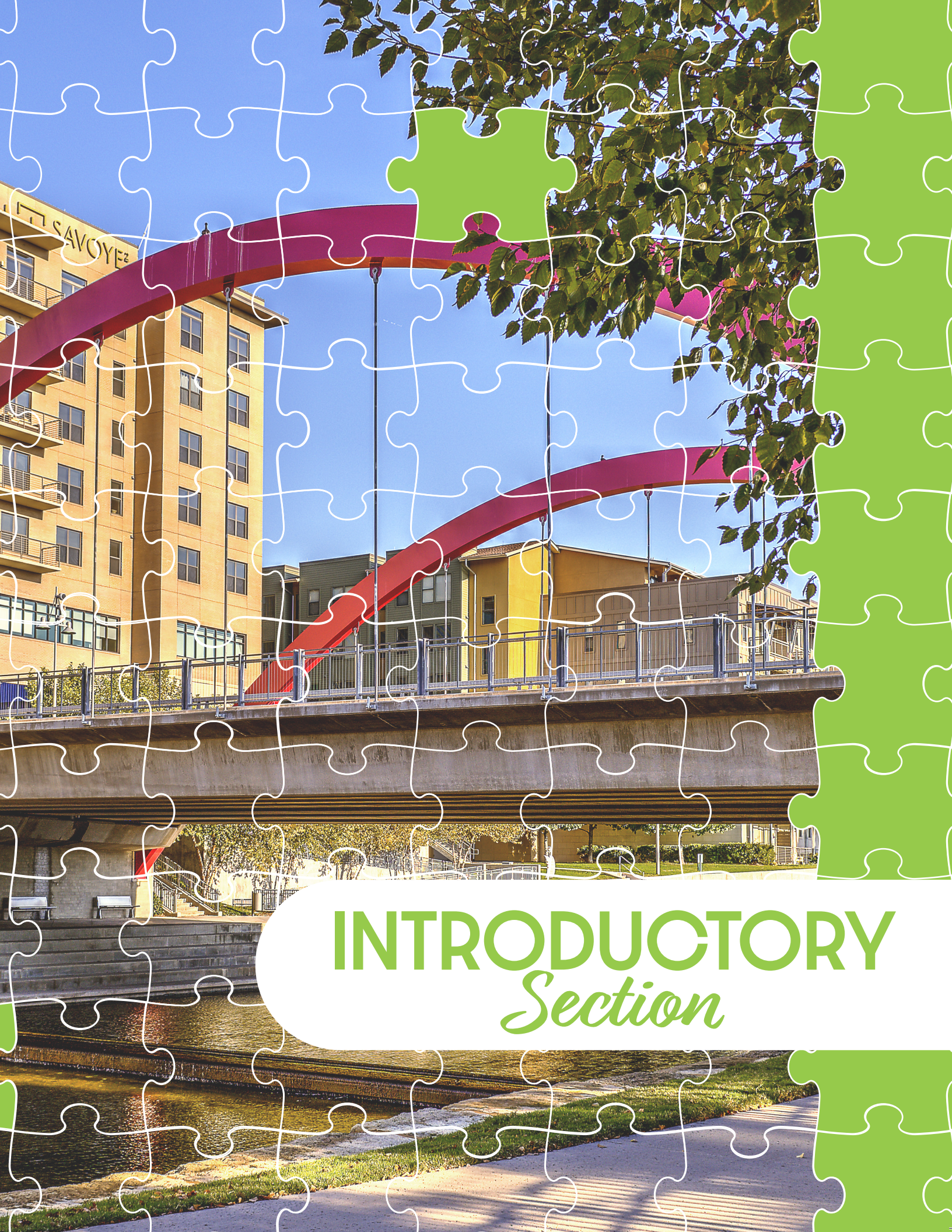


INTRODUCTORY
Section

February 4, 2025

Honorable Mayor, Members of the City Council, and Residents
Town of Addison, Texas

I am pleased to submit the Annual Comprehensive Financial Report of the Town of Addison, Texas for the fiscal year ended September 30, 2024. The purpose of the report is to provide the City Council, management, staff, the public, and other interested parties with detailed information reflecting the Town's financial condition.

THE REPORT

This report satisfies §103.001 of the Texas Local Government Code requiring annual audits of all municipalities and was conducted in accordance with Section 2.15 of the Charter of the Town of Addison. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position of the Town. We also believe all disclosures necessary to enable the reader to gain an understanding of the Town's financial affairs have been included. To provide a reasonable basis for making these representations, management of the Town of Addison has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Addison's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town of Addison's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Annual Comprehensive Financial Report (ACFR) is organized into three major sections: *Introductory, Financial, and Statistical*. The *Introductory Section* provides general information on the government's structure and personnel as well as information useful in assessing the government's financial condition.

The *Financial Section* contains the opinion of the Town's independent auditor. The Town of Addison's financial statements have been audited by Forvis Mazars, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Addison for the fiscal year ended September 30, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion (i.e., clean opinion) that the Town of Addison's financial statements for the fiscal year ended September 30, 2024 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Also included in the *Financial Section* is management's discussion and analysis (MD&A) providing users of the basic financial statements a narrative introduction, overview, and analysis of those statements. The basic financial statements, including the accompanying notes, represent the core of the financial section. These financial statements present the financial condition of the Town of Addison as a single entity, as well as the individual funds that account for the Town's various governmental and business-type activities.

The report concludes with the *Statistical Section*, which, through the use of tables, presents comparative economic and financial data to give users of the report a perspective of the Town's performance over a number of years.

THE REPORTING ENTITY

The Town of Addison is located in the Dallas North Parkway area, which has been referred to as the "platinum corridor" of the Dallas Metroplex. The "platinum corridor," which is the area north of I-635 continuing up to Highway 121 in Frisco, developed rapidly over the past three decades, is home to affluent neighborhoods, hundreds of million-dollar companies, scores of quality restaurants, and two spacious malls. The malls, the Galleria and Stonebriar, both have over 200 stores. Additionally, the area holds the Willow Bend mall, which has over 125 stores. At 4.4 square miles, Addison is one of the smallest, yet most densely developed of the various suburbs located in the DFW Region. With just over 17,000 residents, the Town has developed into a cosmopolitan center which serves well over 125,000 business persons, shoppers, and visitors daily. Niche.com recognizes Addison as the top suburb in Texas for young professionals, and Nerdwallet.com recognizes Addison as the top community to start a business in Texas.

The Town was incorporated in 1953 and is operating under a Charter adopted in 1978 and last amended in January 2021. Under the amended Charter, the Council is comprised of a mayor and six council members who enact local legislation, determine policies, and adopt the Town's budget. The mayor and council members are elected for two-year terms with the mayor and three council members being elected each odd-numbered year and the remaining three council members elected each even-numbered year. The City Manager is appointed by the City Council and is responsible to them for the proper administration of the affairs of the Town.

The Town provides a full range of municipal services including general government, public safety (police and fire), streets, parks and recreation, planning and zoning, code enforcement, stormwater, and water and sewer utilities. Sanitation collection services are provided through private contractors; non-residential customers contract with the collection firm of their choice while single-family residential customers contract through the Town with sanitation fees added to their municipal utility bills.

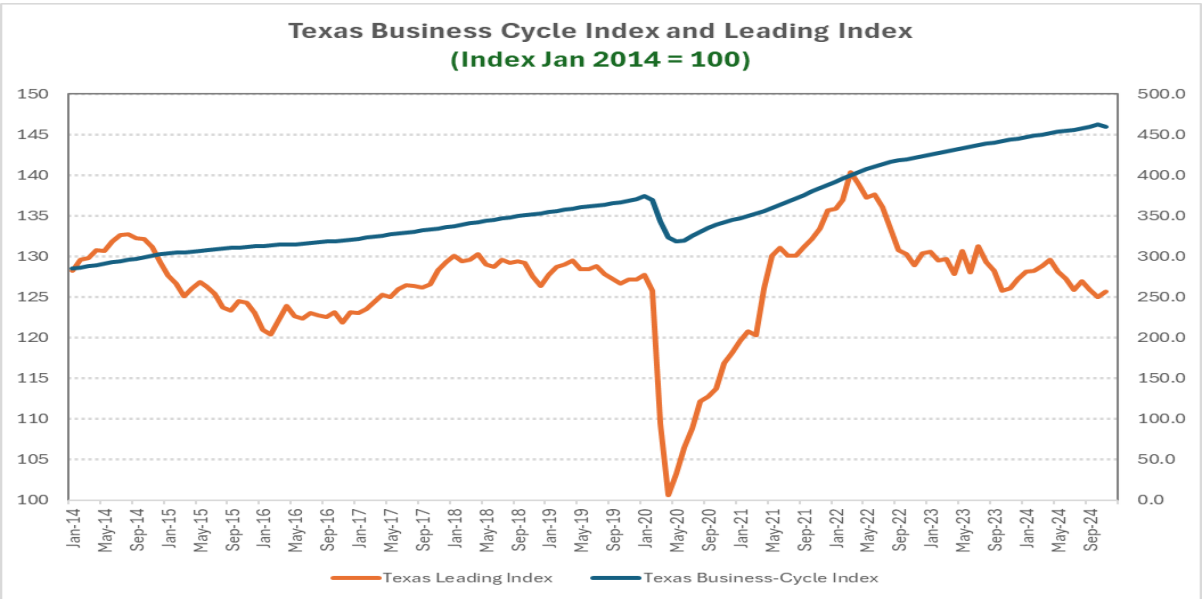
The annual budget of the Town of Addison serves as the foundation for the Town's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by the Town Charter and Council ordinances. The appropriated budget is prepared and presented by fund, department (e.g. police) or function (e.g. debt service), and major cost category (e.g. personal services). All expenses of the Town are made in accordance with the adopted annual budget. The department level is the legal level of control enacted by the Town Charter. Budgetary control is maintained at the individual expenditure account level by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided that a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

Budget-to-actual comparisons are provided in this report for each major fund for which an appropriated annual budget has been adopted. All major funds, other than the capital project fund that follows a five year plan, as well as all proprietary and special revenue funds adopt annual budgets. For the non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund financial statements and schedules section of this report.

FACTORS AFFECTING FINANCIAL CONDITION

Status of Local Economy

With its concentration of commercial and retail development, the Town of Addison's economy is strongly influenced by the region's economic climate. According to reports issued by the Federal Reserve Bank of Dallas, the Leading Index indicators decreased slightly while the Business Cycle Index indicators increased slightly during FY2024, primarily due to continued economic expansion following the COVID-19 pandemic. Overall, the trend bodes well for the continued economic strength of the Town.



The United States unemployment rate remained fairly consistent throughout fiscal year 2024. Texas ended the year on track with the nation as a whole. Texas began fiscal year 2024 at 3.9% unemployment, and ended the year at 4.1%, equal to the U.S. rate of 4.1%.

Addison is densely developed with 12.4 million square feet of office space distributed among approximately 117 office buildings. Much attention is given to the occupancy rates of buildings in Addison. At the end of September 2024, Addison's occupancy rate stood at 79.4 percent compared with the 78.9 percent recorded a year earlier. Addison's occupancy rate is 2.7 percentage points lower than the 82.1 percent average for all of the Dallas/Ft. Worth Area. (Source: CoStar Group)

The Town experienced a 9.4 percent increase in taxable property values for the fiscal year 2024 compared to a 12.0 percent increase for the fiscal year 2023.

For the 2024 fiscal year, General Fund revenues of $52.3 million represented a 10.8% increase from $47.2 million in fiscal year 2023, primarily due to increased property taxes, sales taxes, and investment revenue. The property tax levy produced 47% of the total revenue available to the Town's General Fund for this year, while the sales tax revenue category produced 36%. The Town's sales tax receipts increased 3.3 percent from fiscal year 2023. General Fund expenditures and transfers for the 2024 fiscal year totaled $52.5 million. The General Fund ending fund balance increased by $173 thousand to $20.9 million, with an ending fund balance of 43.5% of General Fund operating expenditures. Although the dollar value of fund balance increased, the fund balance percentage of operating expenditures decreased slightly due to the increase in expenditures from fiscal year 2023 to fiscal year 2024.

Long-Term Financial Planning

The City Council has adopted various financial policies for operations, capital, and debt management. Fiscal year 2024 was most significantly impacted by the Town's debt management policies ensuring the Town can cover needed capital project costs increasing due to inflation while maintaining the overall property tax rate.

Because the Town's major source of revenue is taxes, the Town occasionally offers tax abatement incentive agreements to attract new businesses and development. The Town believes these agreements attract quality businesses to our community that provide long-term benefits such as creating more jobs and increasing the tax revenue to spend on additional or enhanced services to our residents.

Users of this document, as well as others interested in the programs and services offered by the Town of Addison, are encouraged to read the Town's 2024-25 Annual Budget. The document details the Town's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the Town's capital improvement program. The Town's Annual Budget also includes long-term financial plans for the major operating funds that forecast revenues and expenditures over a five-year horizon. The plans are driven by financial policies adopted by the City Council that are designed to protect the Town's financial integrity. The policies include establishing significant fund balances, or reserves, to protect the Town from the boom/bust economic cycle common to the state and the region. The budget document can be obtained from the Town of Addison's Finance Department by calling (972) 450-7051. The Annual Budget can also be accessed through the department's website at: https://www.addisontx.gov/Government/Budget

AWARDS AND ACKNOWLEDGMENTS

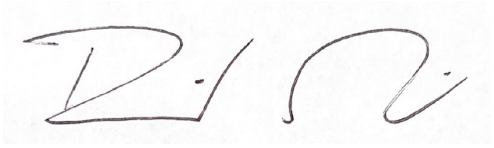
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Town of Addison, Texas for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. The *Certificate*, which is reproduced herein, is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a *Certificate of Achievement*, a government unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. The document must satisfy both generally accepted accounting principles and applicable legal requirements. A *Certificate of Achievement* is valid for a period of one year only. The Town of Addison has received a *Certificate* for 48 consecutive years. We believe our current report continues to conform to the *Certificate of Achievement* program requirements, and we are submitting it to GFOA for consideration.

In addition to the *Certificate*, the Town received GFOA's *Award for Distinguished Budget Presentation* for its fiscal year 2024 annual budget document. In order to qualify for the *Budget Award*, the Town's budget document was judged to be proficient or exceptional in several categories including policy documentation, financial planning, and operations guide. The Town has received the *Award* for 37 consecutive years.

Also, the Town earned the *Award for Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report* (PAFR) from GFOA for the fourth consecutive time for the fiscal year ended September 30, 2023. The PAFR is compiled by both the marketing and finance departments. The PAFR takes information from the ACFR and adds other valuable information about the Town in a format designed to be easily understandable to readers who have no background in public finance. Together, the *Budget Award, PAFR Award,* and the *Certificate* are evidence of the Finance Department's dedication to producing documents that effectively communicate the Town's financial condition to elected officials, city administrators, and the general public.

I wish to thank all members of the Finance Department who assisted in preparing and assembling the information presented in this report. I also acknowledge our auditors, Forvis Mazars, LLP, and the assistance they provided in meeting the deadlines established for publication of the document. I am grateful for the support provided by the City Council, and affirm our pledge to be a resource to help them achieve the goals they have established for the Addison community.

Respectfully submitted,



David Gaines
City Manager

Steven Glickman, CPA, CGFO
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Addison
Texas

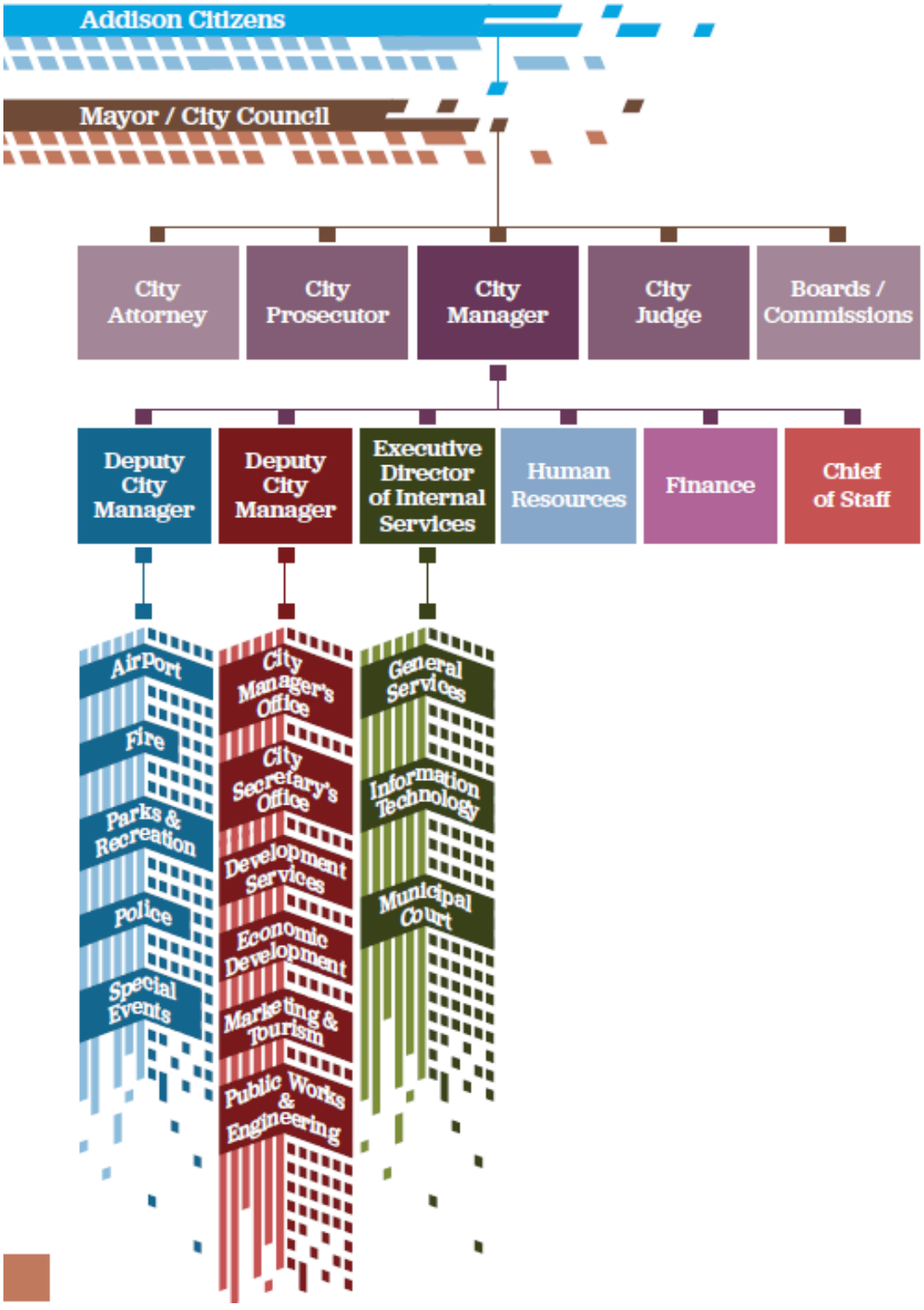
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Executive Director/CEO

ADDISON STAFF

Organization Chart



Town of Addison
LIST OF PRINCIPAL OFFICIALS
September 30, 2024

Town Hall
(972) 450-7000
Fax (972) 450-7043

Elected Officials

Mayor	Bruce Arfsten	(972) 450-7000
Mayor Pro Tempore	Darren Gardner	(972) 450-7000
Deputy Mayor Pro Tempore	Nancy Craig	(972) 450-7000
Council Member	Chris DeFrancisco	(972) 450-7000
Council Member	Howard Freed	(972) 450-7000
Council Member	Dan Liscio	(972) 450-7000
Council Member	Marlin Willesen	(972) 450-7000

Town Management

City Manager	David Gaines	(972) 450-7037
Deputy City Manager	Ashley Shroyer	(972) 450-7010
Deputy City Manager	Passion Hayes	(972) 450-2819
Exec. Dir. of Internal Services	Hamid Khaleghipour	(972) 450-2868
City Secretary	Valancia Garcia	(972) 450-7017
Director of Airport Administration	Joel Jenkinson	(972) 392-4855
Director of Economic Development	Wayne Emerson	(972) 450-7034
Director of Development Services	Lesley Nyp	(972) 450-2823
Chief Financial Officer	Steven Glickman	(972) 450-7050
Fire Chief	David Jones	(972) 450-7206
Director of General Services	Bill Hawley	(972) 450-7016
Director of Human Resources	Ashley Wake	(972) 450-7085
Director of Parks and Recreation	Janna Tidwell	(972) 450-2869
Police Chief	Chris Freis	(972) 450-7168
Director of Marketing & Tourism	Mary Rosenbleeth	(972) 450-7032
Director of Public Works & Engineering	Becky Diviney	(972) 450-2849
Director of Special Events & Theatre	Abby Morales	(972) 450-6221

FINANCIAL
Section

Forvis Mazars, LLP
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Dallas, TX 75254
P 972.702.8262 | F 972.702.0673
forvismazars.us

Independent Auditor's Report

The Honorable Mayor and
Members of the Town Council
Town of Addison, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Addison, Texas (Town), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and hotel fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information, such as the combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Dallas, Texas
February 4, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the Town of Addison, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Addison for the fiscal year ended September 30, 2024. Readers are encouraged to read this narrative in conjunction with the transmittal letter at the front of this report and the Town's financial statements, which follow this section. ***All amounts reported in this MD&A, unless otherwise indicated, are expressed in thousands of dollars (000's).***

Financial Highlights

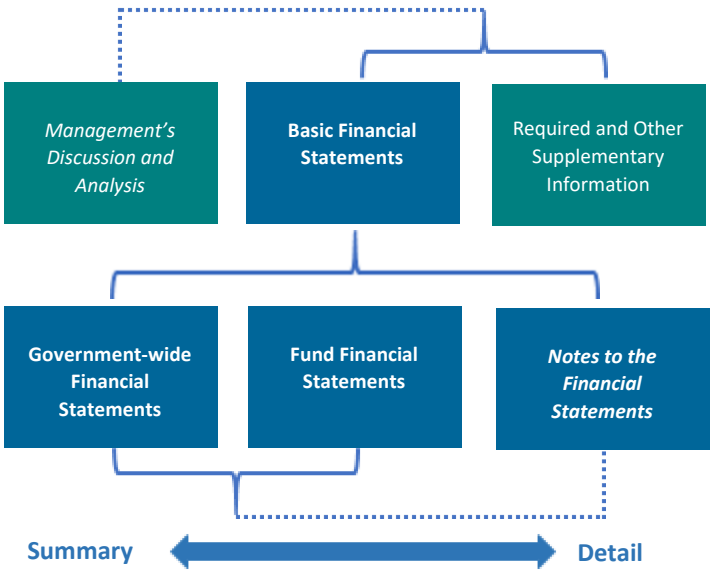
- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2024 fiscal year by $297,203. This amount represents an increase over the previous year of $22,857. The increase is due to a combination of the following: a decrease in the net pension liability due to the change from a retroactively applying Cost of Living Adjustment (COLA) to a proactively repeating COLA, a decrease in the net OPEB liability from the implementation of a funded irrevocable trust, and the capital contributions of assets reverting to the Town through public-private partnerships.
- As of September 30, 2024, the Town's governmental funds reported combined ending fund balances of $79,294, a decrease of $(6,331). The majority of the decrease was due to spending down of bond proceeds in the Capital Project Fund on large construction projects, as part of the five-year capital projects plan.
- At the end of the 2024 fiscal year, the fund balance for the General Fund was $20,856, or 43 percent of total fund expenditures. Fund balance increased $173 during the year. This slight increase was mainly due to adjusting the annual transfer to the Capital Project Fund to utilize as much excess funds as possible while maintaining a stable fund balance in the General Fund.
- At year-end, the Town of Addison's outstanding long-term liabilities totaled $166,308, a decrease of $(17,746) from the previous year, which is attributed mainly to the reduction in the net pension liability caused by changing the adoption of a repeating COLA in 2022 from retroactively applied to proactively applied in 2023. Also, no new bonded debt was issued during the fiscal year.

Overview of Financial Statements

This annual report is comprised of four segments as dictated by generally accepted accounting principles (GAAP): *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and *other supplementary information*. The basic financial statements include two kinds of statements that present different views of the Town:

- The *government-wide financial statements* provide both long-term and short-term information about the Town's overall financial status.
- The fund financial statements focus on individual parts of Addison's government, reporting the Town's operations in more detail than the government-wide statements.
  - The *governmental funds statements* explain how government services such as public safety were financed in the short-term, as well as what remains for future spending.
  - *Proprietary fund statements* offer short-term and long-term financial information about the activities the government operates as business-like, such as the airport.

Illustration A-1 Required Components of Town of Addison's Annual Financial Report



The financial statements also include *notes*, which elaborate on some of the information in the financial statements, providing more detailed data. These financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Illustration A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included other information such as the Town's statistical section, which, through the use of tables, presents comparative economic and financial data to give users of this report a perspective of the Town's financial performance over a number of years.

Illustration A-2 summarizes the major features of the Town's financial statements. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Illustration A-2
Major Features of Town of Addison's Government-wide and Fund Financial Statements

		Fund Statements	
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire Town government	Activities of the Town that are not proprietary, such as police, fire, and parks	Activities the Town operates similar to a private-sector business: airport, water/sewer utility, and storm water
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balances * Budget and actual	* Statement of net position * Statement of revenues, expenses, and changes in net position * Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow, liability, and deferred inflow information	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term	Only assets and deferred outflows expected to be used up and liabilities that come due or deferred inflows that are earned during the year or soon thereafter; no capital assets included	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term
Type of inflow and outflow information	All Revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Addison's finances in a manner similar to a private-sector business. These statements can be located on pages 21-22 of this document.

- The *statement of net position* presents information on all of the Town's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position **may** indicate the improvement or deterioration of the Town's financial position.
- The *statement of activities* presents information showing the Town's change in net position during the concluded fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements of the Town are divided into two categories:

- *Governmental activities* – These are functions such as fire, police, and other services that are principally supported by taxes and intergovernmental revenue.
- *Business-type activities* – These functions are intended to recover all or a significant portion of their costs through user fees and charges. The Town's airport, utility system and storm water system fall within this category.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources which have been segregated for specific activities or objectives. The Town of Addison, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as *governmental activities*. However, unlike the government-wide financial statements, governmental fund financial statements focus on **short-term** inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the **long-term impact** of the government's **short-term financing** decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental *funds* and governmental *activities*.

The Town of Addison maintains 9 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all these funds, with the exception of the Economic Development Fund, Municipal Court Fund, Public Safety Fund, Grant Fund and PEG Fees Fund, which are considered non-major funds and are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for almost all its governmental funds. A budgetary comparison statement is provided for each fund to demonstrate compliance with this budget except for the Capital Projects Fund.

Proprietary Funds – Services for which the Town charges customers a fee are generally reported in the proprietary funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The Town of Addison maintains two different types of proprietary funds.

- *Enterprise funds* are used to report the same functions presented as *business-type activitie*s in the government-wide financial statements. The Town uses enterprise funds to account for its general aviation airport, storm water (drainage), and its utility (water and sewer) system.

- *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its fleet of vehicles, major equipment, its technological information systems, and to repair and improve existing facilities. All of these services predominantly benefit governmental rather than business-type functions hence they have been included within *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements provide separate information for Addison's airport, utility system, and storm drainage system, all of which are considered to be major funds of the Town of Addison. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds – Assets held in a trustee capacity by the Town, which cannot be used to support the Town's own operations, are reported in fiduciary funds. These funds are only reported in the fund financial statements but not the government-wide financial statements because the activity of the trust is not considered that of the Town. The Town has one fiduciary fund for its other postemployment benefit trust.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-84 in this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Addison's funding of its obligations to provide pension benefits to Town employees through the Texas Municipal Retirement System (TMRS) and to provide other post-employment benefits to Town employees upon retirement.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented on pages 97-107.

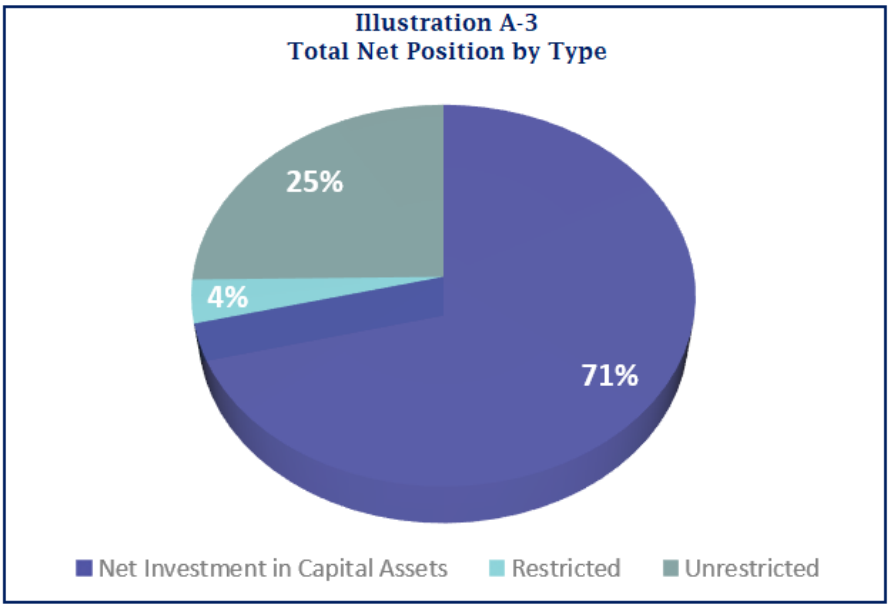
Government-wide Financial Analysis

As of the close of the 2024 fiscal year, the Town's net position (assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources) totaled $297,203 (see Table A-1). Of this amount $211,551, or 71 percent, represents the Town's investment in capital assets (e.g. land, buildings, machinery and equipment, leases, and subscriptions), less any related outstanding debt used to acquire those assets. The Town of Addison uses these capital assets to provide services to the community, these assets are not available for future spending. A portion of net position has been restricted for the Town's long-term general obligation debt ($823), promotion of tourism and hotel industry ($6,242), and other restrictions ($530). The remaining amount of net position is labeled as unrestricted and totals $78,056. This amount is available to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Addison is able to report positive balances in these three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Table A-1
Town of Addison's Net Position (000's)

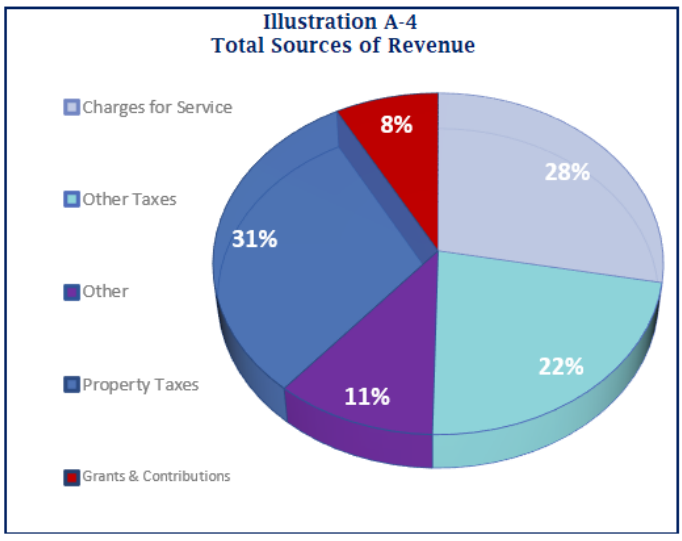
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	$ 100,688	$ 106,058	$ 100,825	$ 114,302	$ 201,513	$ 220,360
Capital, Lease, and Subscription Assets	202,954	196,639	116,003	94,604	318,957	291,243
Total Assets	303,642	302,697	216,828	208,906	520,469	511,603
Deferred Outflows of Resources:						
Deferred Charges on Refundings	913	1,020	373	418	1,286	1,438
Deferred Outflows on Pensions	7,560	11,839	1,405	2,200	8,965	14,039
Deferred Outflows on OPEB	486	998	107	220	593	1,218
Total Deferred Outflows of Resources	8,959	13,857	1,886	2,838	10,845	16,695
Liabilities:						
Long-Term Liabilities Outstanding	131,600	145,749	34,708	38,305	166,308	184,054
Other Liabilities	9,644	8,794	3,574	3,427	13,218	12,221
Total Liabilities	141,244	154,543	38,283	41,732	179,527	196,275
Deferred Inflows of Resources:						
Deferred Inflows on Pensions	437	-	81	-	518	-
Deferred Inflows on OPEB	1,641	1,284	362	283	2,004	1,567
Deferred Inflows on Public-Private Partnerships	-	-	52,064	56,109	52,064	56,109
Total Deferred Inflows of Resources	2,078	1,284	52,507	56,392	54,586	57,676
Net Position:						
Net Investment in Capital Assets	119,853	116,635	91,698	69,672	211,551	186,307
Restricted :						
Debt Service	823	830	-	-	823	830
Tourism/Hotel	6,242	5,880	-	-	6,242	5,880
Child Safety	202	166	-	-	202	166
Justice Administration	111	89	-	-	111	89
Court Technology	67	54	-	-	67	54
Public Safety	98	101	-	-	98	101
Court Security	41	51	-	-	41	51
Other Purposes	12	70	-	-	12	70
Unrestricted	41,830	36,850	36,226	43,948	78,056	80,798
Total Net Position	$ 169,279	$ 160,726	$ 127,924	$ 113,620	$ 297,203	$ 274,346

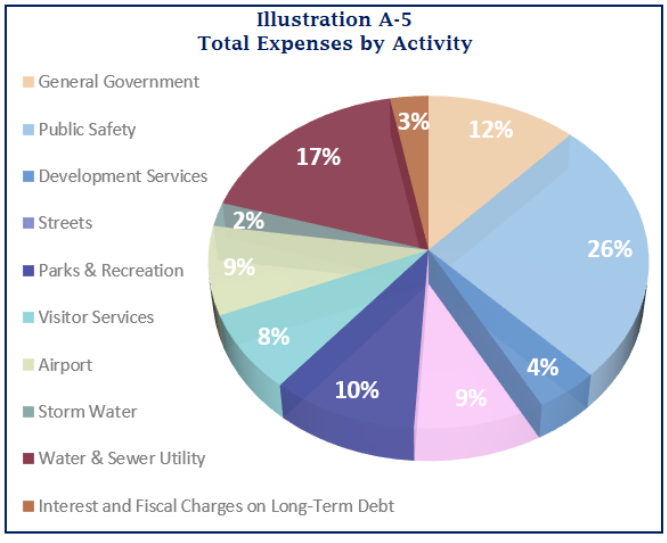


As reflected in Table A-2, the Town's net position increased $22,857 during the 2024 fiscal year.

Table A-2
Town of Addison's Change in Net Position (000's)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	$ 7,228	$ 5,597	$ 25,204	$ 24,775	$ 32,432	$ 30,372
Capital Grants & Contributions	100	302	9,072	1,403	9,172	1,705
Operating Grants & Contributions	113	400	100	50	213	450
General Revenues:						
Property Taxes	35,759	33,454	-	-	35,759	33,454
Other Taxes	25,989	25,889	-	-	25,989	25,889
Other	5,523	4,680	6,998	15,699	12,521	20,378
Total Revenues	74,713	70,322	41,373	41,927	116,086	112,249
Expenses:						
General Government	11,089	13,791	-	-	11,089	13,790
Public Safety	24,091	30,645	-	-	24,091	30,645
Development Services	4,029	4,537	-	-	4,029	4,537
Streets	8,366	8,556	-	-	8,366	8,556
Parks & Recreation	9,330	8,851	-	-	9,330	8,851
Visitor Services	7,174	6,544	-	-	7,174	6,544
Interest and Fiscal Charges on Long-Term Debt	2,819	2,705	-	-	2,819	2,705
Airport	-	-	8,051	8,696	8,051	8,696
Storm water	-	-	2,170	1,661	2,170	1,661
Water & Sewer Utility	-	-	16,112	17,168	16,112	17,168
Total Expenses	66,898	75,629	26,332	27,525	93,230	103,154
Increase (decrease) in net position	7,816	(5,307)	15,041	14,402	22,857	9,095
Transfers	737	909	(737)	(909)	-	-
Change in Net Position	8,552	(4,398)	14,304	13,493	22,857	9,095
Net Position - Beginning of year	160,726	165,124	113,620	100,127	274,346	265,251
Net Position - End of year	$ 169,279	$ 160,726	$ 127,924	$ 113,620	$ 297,203	$ 274,346





Governmental Activities

Governmental activities increased the Town of Addison's net position by $8,552 in fiscal year 2024 as compared to a $(4,398) decrease in fiscal year 2023. The major changes from 2023 to 2024 are as follows:

1. Property tax revenue increased by $2,305 due to increasing market values of properties.
2. Net Investment Income/(Loss) increased by $973 due to increases in market value of the Town's investment portfolio, as older securities that were affected by the actions of the Federal Open Market Committee in 2022 continue to mature.
3. Streets charges for services increased by $776 because in fiscal year 2024 there were some large streets projects the Town jointly participated in and received several large reimbursements of expenses.
4. General Government expenses decreased by $2,702 because the large increase in the fiscal year 2023 pension expense from adopting a retroactively applied repeating COLA became a decrease in pension expense in fiscal year 2024 by changing the retroactively applied COLA to proactively applied.
5. Public safety expenses decreased $6,554 primarily due to the aforementioned change in pension expense.

Business-Type Activities

The Town's business-type activities experienced a $14,304 increase in net position, with the Airport Fund recording an increase of $11,681, due mainly to the recognition of capital contributions related to public-private partnership assets that reverted to the Town in fiscal year 2024 of $8,617. The Utility Fund posted an increase in net position of $1,272, due mainly to decreased pension expense from the decrease in the net pension liability, as previously mentioned, and increased net investment income. The Storm Water Fund posted an increase in net position of $841, mainly due to maintaining drainage fee rates that cover the stormwater operational costs and build healthy reserves.

Financial Analysis of the Government Funds

Governmental funds – The focus of the Town of Addison's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending following the end of the fiscal year.

As of September 30, 2024, the Town's governmental funds reported combined ending fund balances of $79,294, a decrease of $(6,331) compared to balances a year earlier. Of the ending balance, $20,744 or 26.2 percent is *unassigned* and is available to the Town for future spending. Most of the remaining fund balance is *restricted* for future capital projects ($26,918), promotion of tourism and hotel industry ($5,955), debt service ($727) or *committed* for Economic Development ($2,873) and Capital Projects ($21,471). Components of the net decrease of total fund balance are:

- In the General Fund, expenditures and transfers out totaled $52,547 compared to revenues of $52,338. Expenditures increased $3,942 from the 2023 fiscal year. This increase is primarily due to the increases in public safety ($2,136) and parks and recreation services ($658), both due to inflation and rising costs of supplies and services and increases in public safety personnel costs. Revenues increased $5,184 from the previous year. The increase was mainly due to an increase in ad valorem taxes and in investment earnings.
- In the Hotel Fund, expenditures totaled $6,769 compared to revenues of $7,394. Fund revenues increased $300 from the previous year mainly from the increase in investment income. Expenditures increased $1,132 from fiscal year 2023 mainly due to inflation and increased prices on various services.
- The General Obligation Debt Service Fund recorded a net decrease in fund balance of $(20), which is $116 less than the net increase for fiscal year 2023. The decrease is predominantly due to increases in debt service payments combined with the intent to limit the fund balance reserve to an amount slightly above future year debt service requirements.
- The Capital Project Fund recorded a net decrease in fund balance of $7,388, primarily due to capital expenditures of $13,349 and contractual service costs of $2,418 offset by revenue ($3,906) which reflects an increase in investment earnings, transfers in ($4,500). The Town is steadily spending its bond proceeds in accordance with its five year capital improvement projects plan. Included in these funds is the Infrastructure Investment Fund with an ending fund balance of $6,264 as of September 30, 2024. Other balances included are for capital projects funded with unspent bond proceeds as of the end of the fiscal year, as well as savings from general operations transferred to the Self-Funded Project fund for future capital projects, and a small fund designated for street maintenance.

Proprietary funds - The Town of Addison's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the Airport Fund at the end of the fiscal year amounted to $10,881; the Utility Fund reported an unrestricted net position of $14,292, while the Stormwater Fund reported an unrestricted net position of $8,675.

General Fund Budgetary Highlights

Major differences between the original budget and the final amended budget are described below, ***not expressed in thousands of dollars (000's)***:

Sales tax revenue was amended to recognize an increase in sales tax collections by $574,733. Additionally, the budget was amended for personnel and maintenance costs associated with the Parks Department for mowing and maintenance, using a hybrid model. The budget was also amended to appropriate funds for the Texas Proposition 8 pass-through funding to North Texas Emergency Communications Center (NTECC), offset by an equal appropriation of 911 fees revenue. Additional appropriations were made for Harris radio terminal maintenance, agenda management and strategic planning software, Town-wide legal services, and an increase in animal control expenses. Additional appropriations were also made for street maintenance. All budget amendments approved did not result in a net change to appropriations.

The adjustments resulted in increasing budgeted revenue 1.4 percent and increasing expenditures by 1.4 percent. $4,500,000 was transferred to the Self-Funded Project Fund for future capital needs. This was authorized by Section 3 of the September budget amendment ordinance that allowed the City Manager to transfer unexpended appropriations and excess revenue at the end of the fiscal year.

The final actuals resulted in revenues that were 5.8 percent higher than the revised budget, due primarily to sales tax outperforming budget projections. Expenditures were 1.6 percent lower than the revised budget. The decrease in expenditures resulted from savings on maintenance and contractual services in various departments.

Capital, Subscription and Lease Asset and Debt Administration

Capital, subscription and lease assets – As detailed in Table A-3 below, the Town of Addison's investment in capital, subscription and lease assets for its governmental and business-type activities as of September 30, 2024, totals $318,958 (net of accumulated depreciation/ amortization). This amount represents a $27,715 increase from the previous year and is attributed to the increase in current construction of assets less depreciation of existing assets. Some of the projects in progress include Vitruvian Public Infrastructure, Midway Road Reconstruction, Airport Parkway Reconstruction, Keller Springs Road Reconstruction, and Rawhide Creek Basin Drainage Improvement. More information related to the Town's capital assets can be found in Sections; I, D, 4 and III, D of the Notes to Financial Statements.

Table A-3
Town of Addison's Capital, Subscription and Lease Assets
(Net of Depreciation/Amortization) (000's)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 72,976	$ 72,164	$ 17,259	$ 17,259	$ 90,235	$ 89,423
Intangible Assets	862	862	-	-	862	862
Buildings	6,877	7,240	33,976	15,542	40,853	22,781
Lease Buildings	158	205	-	-	158	205
Improvements other than Buildings	58,186	62,912	54,463	53,452	112,649	116,364
Machinery and Equipment	14,716	14,831	3,953	4,228	18,669	19,059
Lease Equipment	107	136	-	-	107	136
Subscription Assets	788	366	-	-	788	366
Construction in Progress	48,285	37,923	6,352	4,123	54,636	42,046
Total Capital, Subscription, and Lease Assets	$ 202,955	$ 196,639	$ 116,003	$ 94,604	$ 318,958	$ 291,243

Long-term debt – At the end of the 2024 fiscal year, the Town of Addison had total bonded debt outstanding of $133,570 as detailed in Table A-4. The Town of Addison maintains an underlying bond rating of "AAA" from Standard & Poor's and "Aaa" from Moody's. Several of the Town's outstanding debt issuances are insured. More information related to the Town's long-term debt can be found in Section III, F of the Notes to Financial Statements.

Table A-4
Town of Addison's Outstanding Bonded Debt (000's)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	$ 79,190	$ 89,858	$ 9,385	$ 10,722	$ 88,575	$ 100,580
Certificates of Obligation	24,455	26,846	20,540	22,182	44,995	49,028
Total Debt Outstanding	$ 103,645	$ 116,704	$ 29,925	$ 32,904	$ 133,570	$ 149,608

Economic Factors and Next Year's Budget and Rates

The development of the Town's budget is guided by several factors including the Town's strategic plan and prevailing economic conditions. The fiscal year 2025 budget plan adopted by the City Council adheres to the Town's financial policies and preserves the Town's strong financial position while providing excellent levels of service. The annual budget is adopted within context of five-year financial plans for the General, Hotel, Airport, and Utility funds. The long-term financial plans project major operating revenues and categories of expenses. Changes in fund balances are monitored to ensure that the Town is in compliance with adopted fund balance policy.

Major programs in the General Fund continue to focus on public safety, community development and parks to ensure the high quality of life enjoyed by Addison citizens and visitors.

Revenue assumptions in the General Fund are expected to take into consideration current economic indicators. Revenues, such as property tax revenue and sales tax revenue, are forecasted using both historical results and current trends. Certified taxable property values in Addison totaled $6,458,952,670 for fiscal year 2025, which represented an 5.6 percent increase from the previous year. The property tax rate remained the same at $0.609822 per $100 appraised value, as compared to the previous fiscal year. Of the 2025 budget tax rate, $0.439822 was levied for operation/maintenance and $0.170000 for debt service.

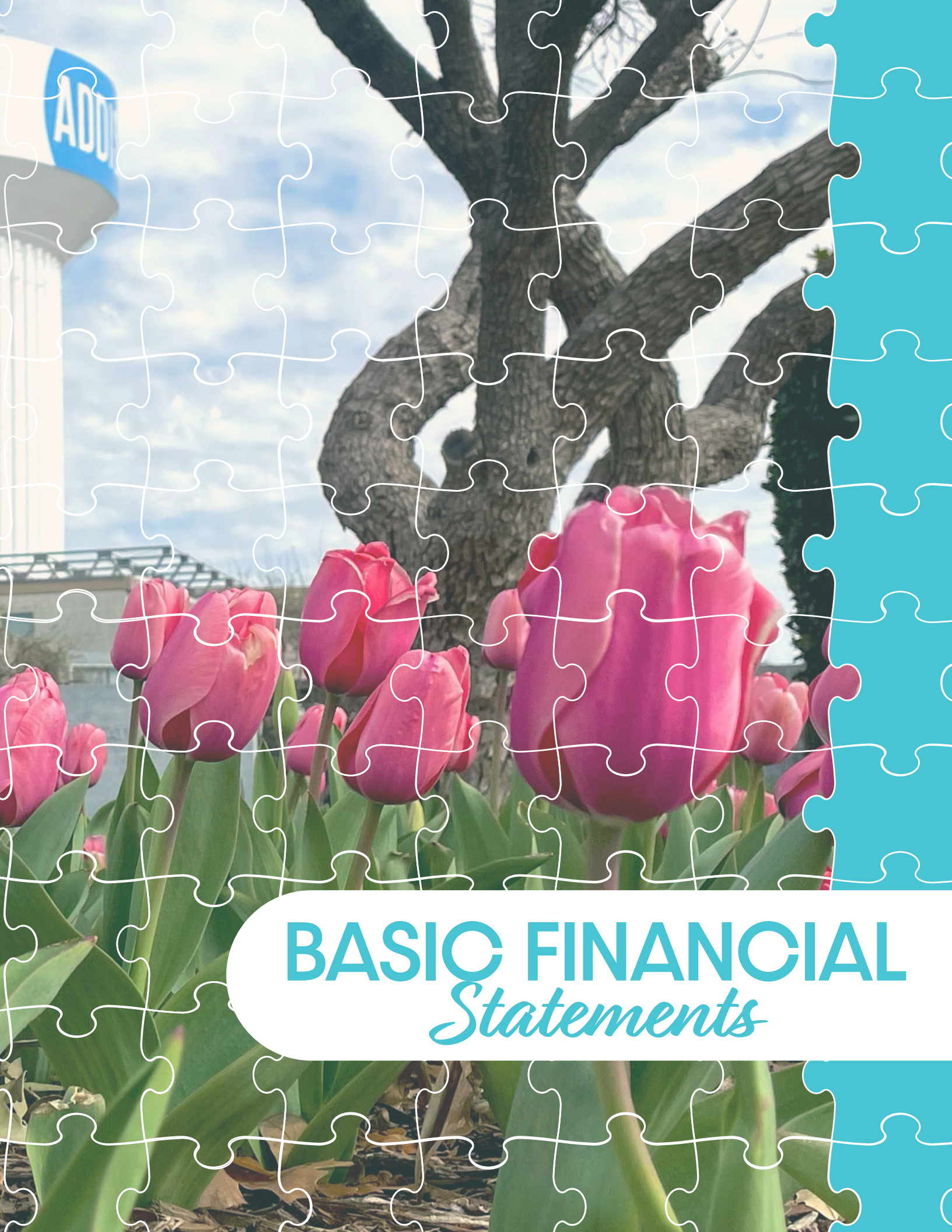
Sales tax collections for the Town were conservatively budgeted from the amount collected in 2023. Sales tax collections were projected to increase slightly in fiscal year 2025 compared to the 2024 budget.

Hotel occupancy tax collections were budgeted to increase by approximately 6.7 percent between fiscal year 2024 and fiscal year 2025.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Addison's finances and to show the Town's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Town of Addison
Finance Department
P.O. Box 9010
Addison, TX 75001
Telephone: (972) 450-7050
Email: sglickman@addisontx.gov



BASIC FINANCIAL *Statements*

TOWN OF ADDISON
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled Cash and Investments	$ 92,341,637	$ 36,976,157	$ 129,317,794
Receivables, Net of Allowances for Uncollectibles	6,377,202	3,621,464	9,998,666
Prepaid Items	130,703	61,308	192,011
Inventories, at Cost	35,872	-	35,872
Investment in Joint Venture	1,802,048	6,062,328	7,864,376
Public-Private Partnerships Receivable	-	54,104,051	54,104,051
Capital, Lease, and Subscription Assets, Net of Accumulated Depreciation/Amortization			
Land	72,975,868	17,258,730	90,234,598
Intangible Assets	862,221	-	862,221
Buildings	6,876,751	33,976,326	40,853,077
Lease Buildings	157,649	-	157,649
Improvements other than Buildings	58,185,740	54,462,938	112,648,678
Machinery and Equipment	14,716,334	3,953,126	18,669,460
Lease Equipment	107,097	-	107,097
Subscription Assets	787,578	-	787,578
Construction in Progress	48,285,186	6,351,951	54,637,137
Total Assets	303,641,886	216,828,379	520,470,265
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refundings	913,207	373,278	1,286,485
Deferred Outflows on Pensions	7,560,359	1,405,399	8,965,758
Deferred Outflows on OPEB	485,553	107,234	592,787
Total Deferred Outflows of Resources	8,959,119	1,885,911	10,845,030
LIABILITIES			
Accounts Payable and Accrued Liabilities	9,639,081	1,701,516	11,340,597
Customer Deposits	4,905	1,872,840	1,877,745
Long-Term Liabilities			
Due within One Year	8,276,822	2,272,955	10,549,777
Due in More Than One Year	123,323,074	32,435,502	155,758,576
Total Liabilities	141,243,882	38,282,813	179,526,695
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows on Pensions	437,033	81,209	518,242
Deferred Inflows on OPEB	1,641,342	362,492	2,003,834
Deferred Inflows on Public-Private Partnerships	-	52,063,825	52,063,825
Total Deferred Inflows of Resources	2,078,375	52,507,526	54,585,901
NET POSITION			
Net Investment in Capital Assets	119,852,579	91,697,938	211,550,517
Restricted for:			
Debt Service	822,997	-	822,997
Promotion of Tourism and Hotel Industry	6,242,117	-	6,242,117
Child Safety	201,648	-	201,648
Justice Administration	110,866	-	110,866
Court Technology	67,192	-	67,192
Court Security	41,399	-	41,399
Public Safety	97,987	-	97,987
Other Purposes	11,736	-	11,736
Unrestricted	41,830,227	36,226,013	78,056,240
Total Net Position	$ 169,278,748	$ 127,923,951	$ 297,202,699

See accompanying notes to basic financial statements.

TOWN OF ADDISON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense)/Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense)/Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense)/Revenue and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities:							
General Government	$ 11,089,043	$ 1,085,319	$ -	$ -	$ (10,003,724)	$ -	$ (10,003,724)
Public Safety	24,091,139	1,362,025	105,728	-	(22,623,386)	-	(22,623,386)
Development Services	4,029,364	1,662,437	7,641	-	(2,359,286)	-	(2,359,286)
Streets	8,365,960	1,242,171	-	-	(7,123,789)	-	(7,123,789)
Parks and Recreation	9,329,919	372,437	-	100,000	(8,857,482)	-	(8,857,482)
Visitor Services	7,173,628	1,503,962	-	-	(5,669,666)	-	(5,669,666)
Interest on Long-Term Debt	2,818,589	-	-	-	(2,818,589)	-	(2,818,589)
Total Governmental Activities	66,897,642	7,228,351	113,369	100,000	(59,455,922)	-	(59,455,922)
Business-Type Activities:							
Airport	8,050,603	6,192,257	100,000	8,703,457	-	6,945,111	6,945,111
Utilities	16,111,864	16,399,919	-	368,528	-	656,583	656,583
Stormwater	2,169,762	2,611,611	-	-	-	441,849	441,849
Total Business-Type Activities	26,332,229	25,203,787	100,000	9,071,985	-	8,043,543	8,043,543
Total Primary Government	$ 93,229,871	$ 32,432,138	$ 213,369	$ 9,171,985	(59,455,922)	8,043,543	(51,412,379)
General Revenues							
Taxes							
Property Taxes, Levied for General Purposes					35,759,402	-	35,759,402
Sales Taxes					18,586,162	-	18,586,162
Franchise Taxes					2,059,519	-	2,059,519
Hotel/Motel Taxes					5,343,107	-	5,343,107
Net Investment Income/(Loss)					5,009,875	4,484,345	9,494,220
Gain on Sale of Capital Assets					966	35,427	36,393
Public-Private Partnership Revenues					-	2,433,506	2,433,506
Miscellaneous					512,526	44,262	556,788
Transfers					736,740	(736,740)	-
Total General Revenues and Transfers					68,008,297	6,260,800	74,269,097
Change in Net Position					8,552,375	14,304,343	22,856,718
NET POSITION, Beginning of Year					160,726,373	113,619,608	274,345,981
NET POSITION, End of Year					$ 169,278,748	$ 127,923,951	$ 297,202,699

See accompanying notes to basic financial statements.

Governmental Funds
Balance Sheet
September 30, 2024

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:						
Pooled Cash and Investments	$ 22,806,379	$ 6,237,209	$ 749,431	$ 51,588,211	$ 3,503,143	$ 84,884,373
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	296,666	-	114,334	4,391	16,850	432,241
Non-Property Taxes	3,138,697	604,988	-	-	-	3,743,685
Franchise Fees	295,080	-	-	-	-	295,080
Service Fees, Net	283,313	-	-	-	-	283,313
Ambulance, Net	591,598	-	-	-	-	591,598
Interest	119,212	27,228	2,892	212,136	15,560	377,028
Intergovernmental	-	-	-	60,482	-	60,482
Other	1,888	549,080	-	-	-	550,968
Prepaid Items	76,488	-	-	-	-	76,488
Inventories, At Cost	35,872	-	-	-	-	35,872
Total Assets	$ 27,645,193	$ 7,418,505	$ 866,657	$ 51,865,220	$ 3,535,553	$ 91,331,128
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable and Accrued Liabilities	$ 4,025,734	$ 1,207,429	$ 25,377	$ 3,471,726	$ 152,339	$ 8,882,605
Customer Deposits	1,005	3,900	-	-	-	4,905
Total Liabilities	4,026,739	1,211,329	25,377	3,471,726	152,339	8,887,510
Deferred Inflows of Resources:						
Unavailable Resources	2,762,019	252,406	114,334	4,391	16,850	3,150,000
Total Deferred Inflows of Resources	2,762,019	252,406	114,334	4,391	16,850	3,150,000
Fund Balances:						
Nonspendable						
Inventories	35,872	-	-	-	-	35,872
Prepaid Items	76,488	-	-	-	-	76,488
Restricted						
Debt Service	-	-	726,946	-	-	726,946
Promotion of Tourism and Hotel Industry	-	5,954,770	-	-	-	5,954,770
Capital Projects	-	-	-	26,918,461	-	26,918,461
Child Safety	-	-	-	-	201,648	201,648
Justice Administration	-	-	-	-	81,973	81,973
Court Technology	-	-	-	-	67,192	67,192
Court Security	-	-	-	-	41,399	41,399
Public Safety	-	-	-	-	89,116	89,116
Governmental Public Education	-	-	-	-	11,736	11,736
Committed						
Capital Projects	-	-	-	21,470,642	-	21,470,642
Economic Development	-	-	-	-	2,873,300	2,873,300
Unassigned	20,744,075	-	-	-	-	20,744,075
Total Fund Balance	20,856,435	5,954,770	726,946	48,389,103	3,366,364	79,293,618
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 27,645,193	$ 7,418,505	$ 866,657	$ 51,865,220	$ 3,535,553	$ 91,331,128

See accompanying notes to basic financial statements.

TOWN OF ADDISON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

Total Fund Balances - Total Governmental Funds	$	79,293,618
Amounts reported for governmental activities in the statement of net position are different because:		
The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. A portion of the assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position. The effect of this consolidation is to increase net position.		15,178,418
Capital, lease, and subscription assets used in governmental activities, including infrastructure and developer contributions, are not financial resources and therefore are not reported in fund financial statements. Capital, lease, and subscription assets of $194,586,936, net of accumulated depreciation/amortization of $174,407,972, increased net position in the government-wide financial statements. This amount is exclusive of the capital and subscription assets of internal service funds with a net carrying value of $8,601,006, of which $233,518 was applied to business-type activities and $8,367,488 was applied to governmental activities.		194,586,936
Investment in Joint Venture is not financial resources and is not reported in the fund financial statements. Investment in Joint Venture increased net position in the government-wide financial statements.		1,802,048
Deferred losses on refundings of debt have been reflected net of amortization in the government-wide financial statements.		913,207
Bonds payable, contractual obligations, and related premium, discount, and arbitrage amounts have not been included in the fund financial statements.		(109,372,702)
Accrued liabilities for compensated absences have not been reflected in the fund financial statements.		(1,194,942)
Net and total OPEB liability is not reflected in the fund financial statements.		(2,095,761)
Deferred outflows on OPEB, net of amortization, are not reflected in fund financial statements.		485,553
Deferred inflows on OPEB, net of amortization, are not reflected in fund financial statements.		(1,641,342)
Deferred outflows on pension costs, net of amortization, are not reflected in fund financial statements.		7,560,359
Deferred inflows on pension costs, net of amortization, are not reflected in fund financial statements.		(437,033)
Net pension liability is not reflected in fund financial statements.		(17,959,442)
Leases payable are not reflected in fund financial statements.		(285,984)
Subscriptions payable are not reflected in fund financial statements. This amount is exclusive of subscriptions payable in the internal service funds of $421,430.		(269,631)
Interest payable on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording accrued interest is to decrease net position.		(434,554)
Revenue from property taxes, sales taxes, hotel taxes, franchise fees, court bonds, ambulance billing, alarm billing, and intergovernmental grants is a deferred inflow in the fund financial statements until it is considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.		3,150,000
Net Position of Governmental Activities	$	169,278,748

See accompanying notes to basic financial statements.

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2024

	General Fund	Hotel	General Obligation Debt Service	Capital Project Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:						
Ad Valorem Taxes	$ 24,601,667	$ -	$ 9,326,875	$ 362,869	$ 1,387,809	$ 35,679,220
Non-Property Taxes	18,595,761	5,374,881	-	-	-	23,970,642
Franchise Fees	2,033,581	-	-	-	25,938	2,059,519
Licenses and Permits	1,639,875	-	-	-	-	1,639,875
Intergovernmental	-	-	-	70,782	51,235	122,017
Service Fees	2,597,545	1,392,560	-	229,728	18,700	4,238,533
Fines and Forfeitures	350,930	-	-	-	57,542	408,472
Net Investment Income/(Loss)	2,060,831	456,335	126,498	2,409,238	269,382	5,322,284
Rental Charges	8,640	169,372	-	-	-	178,012
Other	449,269	561	6,942	832,973	502	1,290,247
Total Revenues	52,338,099	7,393,709	9,460,315	3,905,590	1,811,108	74,908,821
EXPENDITURES:						
Current:						
General Government	10,287,877	-	-	-	86,673	10,374,550
Public Safety	25,361,952	-	-	-	49,615	25,411,567
Development Services	2,322,115	-	-	-	8,504	2,330,619
Streets	2,267,291	-	-	-	-	2,267,291
Parks and Recreation	7,244,930	-	-	-	-	7,244,930
Visitor Services	-	6,769,146	-	-	-	6,769,146
Municipal Court	-	-	-	-	28,698	28,698
Economic Development	-	-	-	-	1,358,034	1,358,034
Debt Service:						
Principal Retirement	162,677	-	6,840,000	22,432	-	7,025,109
Interest and Fiscal Charges	13,747	-	3,516,237	4,195	-	3,534,179
Capital Projects and Outlay:						
Engineering and Contractual Services	-	-	-	2,418,084	-	2,418,084
Construction and Equipment	386,380	-	-	13,348,705	-	13,735,085
Total Expenditures	48,046,969	6,769,146	10,356,237	15,793,416	1,531,524	82,497,292
Excess/(Deficiency) of Revenues over/(under) Expenditures	4,291,130	624,563	(895,922)	(11,887,826)	279,584	(7,588,471)
OTHER FINANCING SOURCES/(USES):						
Transfers In	-	-	875,540	4,500,000	-	5,375,540
Transfers Out	(4,500,000)	-	-	-	-	(4,500,000)
Sale of Governmental Assets	966	-	-	-	-	966
Subscriptions	381,380	-	-	-	-	381,380
Total Other Financing Sources/(Uses)	(4,117,654)	-	875,540	4,500,000	-	1,257,886
Net Change in Fund Balance	173,476	624,563	(20,382)	(7,387,826)	279,584	(6,330,585)
Fund Balances at Beginning of Year	20,682,959	5,330,207	747,328	55,776,929	3,086,780	85,624,203
Fund Balances at End of Year	$ 20,856,435	$ 5,954,770	$ 726,946	$ 48,389,103	$ 3,366,364	$ 79,293,618

See accompanying notes to basic financial statements.

TOWN OF ADDISON
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Total Net Change in Fund Balances - Total Governmental Funds		$ (6,330,585)
Amounts reported for governmental activities in the statement of activities are different because:		
The Town uses internal service funds to charge the costs of certain activities such as replacement of capital assets and information technology to appropriate functions in other funds. A portion of the revenues and expenses of the internal service funds are included in governmental activities in the government-wide statement of activities. The effect of this consolidation is to increase net position.		624,089
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital, lease, and subscription assets in the government-wide financial statements. The effect of removing the capital outlays is to increase net position. This amount excludes $2,640,438 of capital outlays from the internal service funds for governmental activities.		14,317,587
Capital assets transferred to proprietary funds are not recognized in fund financial statements. The government-wide statement of activities will reflect a decrease in net position.		(138,800)
Losses on disposals of capital assets are not recognized in fund financial statements. The government-wide statement of activities will reflect a decrease in net position.		(4,713)
Depreciation and amortization are not recognized as an expense in governmental funds since they do not require the use of current financial resources. The effect of recording the current year's depreciation and amortization is to decrease net position. This amount excludes $1,567,874 depreciation and amortization in the internal service funds, of which $1,541,047 was for governmental activities and $26,827 was for business-type activities.		(8,957,566)
The Town's share of net gain from Investment in Joint Venture is not reflected in fund financials.		384,998
The issuance of long-term debt increases the current financial resources of governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but both have no effect on net position. The amortization of prepaid insurance associated with the issuance of long-term debt, bond premiums, bond discounts, and deferred gain/loss on refunding of long term debts is reported in the statement of activities but does not require the use of current financial resources. Therefore the effect of the amortization of these various items are not reported in the statement of revenues, expenditures, and changes in fund balance. This amount represents the change in net position of the following:		
Arbitrage liability	(312,409)	
Subscriptions Issued	(381,380)	
Bond repayments, including refunded amounts of principal and premiums	6,840,000	
Lease principal payments	73,360	
Subscription principal payments	111,749	
Amortization of bond premiums, discounts, and losses on refunding	697,501	7,028,821
The change in compensated absences liability is not shown in the fund financial statements. The net effect of the current year's increase in liability is to decrease net position.		(164,569)
The current year decrease in the net and total OPEB liability of $1,016,037, amortization of deferred inflows and outflows on OPEB of ($869,593) are not shown in the fund financial statements. The effect of recording these amounts is to increase net position.		146,444
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due. The effect of recording the decrease in accrued interest is to increase net position.		16,306
Decrease in net pension liability of $6,230,240 and amortization of deferred inflows and outflows on pensions of ($4,715,778), increases net position by decreasing the pension expense in each function.		1,514,462
Revenue from property taxes, sales taxes, hotel taxes, franchise fees, court bonds, ambulance billing, alarm billing, and intergovernmental grants not recognized in fund financial statements on the modified accrual basis is recognized on the accrual basis in the government-wide financial statements.		115,901
Change in Net Position of Governmental Activities		$ 8,552,375

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2024

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem Taxes:				
Current	$ 24,991,151	$ 24,991,151	$ 25,000,925	$ 9,774
Delinquent	(200,000)	(200,000)	(471,087)	(271,087)
Penalties and Interest	50,000	50,000	71,829	21,829
Total Ad Valorem	24,841,151	24,841,151	24,601,667	(239,484)
Non-Property Taxes:				
Sales Tax	15,200,000	15,774,733	17,298,041	1,523,308
Alcoholic Beverage Tax	1,300,000	1,300,000	1,297,720	(2,280)
Total Non-Property Taxes	16,500,000	17,074,733	18,595,761	1,521,028
Total Taxes	41,341,151	41,915,884	43,197,428	1,281,544
Franchise Fees:				
Electric Franchise	1,525,000	1,525,000	1,491,544	(33,456)
Gas Franchise	250,000	250,000	297,695	47,695
Telephone Franchise	175,000	175,000	152,514	(22,486)
Cable Franchise	110,000	110,000	91,828	(18,172)
Total Franchise Fees	2,060,000	2,060,000	2,033,581	(26,419)
Licenses and Permits:				
Business Licenses and Permits	149,100	149,100	219,243	70,143
Building and Construction Permits	960,400	960,400	1,420,632	460,232
Total Licenses and Permits	1,109,500	1,109,500	1,639,875	530,375
Service Fees:				
Public Safety	1,240,555	1,327,555	1,300,804	(26,751)
Urban Development	5,200	5,200	3,862	(1,338)
Streets and Sanitation	480,000	480,000	509,198	29,198
Recreation	70,300	70,300	137,387	67,087
Interfund	646,295	646,295	646,294	(1)
Total Service Fees	2,442,350	2,529,350	2,597,545	68,195
Fines and Forfeitures	330,000	330,000	350,930	20,930
Net Investment Income/(Loss)	525,000	525,000	2,060,831	1,535,831
Rental Charges	8,600	8,600	8,640	40
Other	327,500	327,500	449,269	121,769
Total Revenues	$ 48,144,101	$ 48,805,834	$ 52,338,099	$ 3,532,265

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2024

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
City Secretary:				
Salaries and Fringe Benefits	152,854	152,854	161,870	(9,016)
Supplies	10,950	10,950	8,109	2,841
Maintenance and Materials	8,523	8,523	7,584	939
Contractual Services	79,250	79,250	73,967	5,283
Total City Secretary	251,577	251,577	251,530	47
City Manager's Office:				
Salaries and Fringe Benefits	936,002	1,036,002	966,955	69,047
Supplies	23,397	23,397	31,106	(7,709)
Maintenance and Materials	55,504	55,504	25,906	29,598
Contractual Services	113,055	163,055	134,028	29,027
Capital Replacement	16,388	16,388	16,388	-
Total City Manager's Office	1,144,346	1,294,346	1,174,383	119,963
Financial and Strategic Services:				
Salaries and Fringe Benefits	1,412,972	1,382,972	1,371,898	11,074
Supplies	15,367	15,367	13,243	2,124
Maintenance and Materials	58,482	58,482	42,898	15,584
Contractual Services	526,047	556,047	514,393	41,654
Capital Replacement	28,309	28,309	28,309	-
Total Financial and Strategic Services	2,041,177	2,041,177	1,970,741	70,436
General Services:				
Salaries and Fringe Benefits	883,182	883,182	903,808	(20,626)
Supplies	34,260	34,260	31,717	2,543
Maintenance and Materials	112,852	112,852	103,642	9,210
Contractual Services	73,925	73,925	63,281	10,644
Capital Replacement	489,979	489,979	489,979	-
Total General Services	1,594,198	1,594,198	1,592,427	1,771
Municipal Court:				
Salaries and Fringe Benefits	486,541	486,541	480,167	6,374
Supplies	8,134	8,134	8,522	(388)
Maintenance and Materials	75,305	75,305	76,533	(1,228)
Contractual Services	95,790	95,790	88,567	7,223
Capital Replacement	27,173	27,173	27,173	-
Total Municipal Court	692,943	692,943	680,962	11,981
Human Resources:				
Salaries and Fringe Benefits	495,974	305,974	339,759	(33,785)
Supplies	82,408	82,408	95,746	(13,338)
Maintenance and Materials	14,530	14,530	12,137	2,393
Contractual Services	188,130	228,130	179,888	48,242
Capital Replacement	10,211	10,211	10,211	-
Total Human Resources	791,253	641,253	637,741	3,512

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2024

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Information Technology:				
Salaries and Fringe Benefits	1,366,908	1,366,908	1,319,767	47,141
Supplies	55,551	55,551	36,594	18,957
Maintenance and Materials	941,465	941,465	826,617	114,848
Contractual Services	105,568	105,568	116,983	(11,415)
Capital Replacement	17,892	17,892	17,892	-
Total Information Technology	2,487,384	2,487,384	2,317,853	169,531
Combined Services:				
Salaries and Fringe Benefits	107,500	107,500	111,279	(3,779)
Supplies	20,000	20,000	31,948	(11,948)
Contractual Services	1,029,781	1,204,781	1,115,348	89,433
Total Combined Services	1,157,281	1,332,281	1,258,575	73,706
City Council Special Projects:				
Salaries and Fringe Benefits	46,304	46,304	51,212	(4,908)
Supplies	18,000	18,000	20,553	(2,553)
Contractual Services	355,937	355,937	331,900	24,037
Total City Council Special Projects	420,241	420,241	403,665	16,576
Total General Government	10,580,400	10,755,400	10,287,877	467,523
Public Safety:				
Police:				
Salaries and Fringe Benefits	10,017,080	10,217,080	10,019,618	197,462
Supplies	325,643	325,643	504,088	(178,445)
Maintenance and Materials	407,559	407,559	430,135	(22,576)
Contractual Services	1,043,853	1,293,853	1,070,261	223,592
Capital Replacement	643,552	643,552	643,552	-
Capital Outlay	-	-	74,226	(74,226)
Total Police	12,437,687	12,887,687	12,741,880	145,807
Emergency Communications:				
Maintenance and Materials	36,000	80,733	198,071	(117,338)
Contractual Services	1,752,857	1,839,857	1,719,182	120,675
Total Emergency Communications	1,788,857	1,920,590	1,917,253	3,337
Fire:				
Salaries and Fringe Benefits	9,368,565	9,093,565	9,065,478	28,087
Supplies	293,482	293,482	324,473	(30,991)
Maintenance and Materials	377,147	377,147	323,818	53,329
Contractual Services	399,119	499,119	443,251	55,868
Capital Replacement	532,651	532,651	532,651	-
Capital Outlay	-	-	13,148	(13,148)
Total Fire	10,970,964	10,795,964	10,702,819	93,145
Total Public Safety	25,197,508	25,604,241	25,361,952	242,289

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2024

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (CONTINUED)				
Development Services:				
Development Services:				
Salaries and Fringe Benefits	2,337,606	2,212,606	1,983,959	228,647
Supplies	55,783	55,783	69,620	(13,837)
Maintenance and Materials	23,783	23,783	26,208	(2,425)
Contractual Services	310,677	310,677	204,634	106,043
Capital Replacement	37,694	37,694	37,694	-
Total Development Services	2,765,543	2,640,543	2,322,115	318,428
Streets:				
Streets:				
Salaries and Fringe Benefits	467,315	467,315	470,576	(3,261)
Supplies	49,650	49,650	57,304	(7,654)
Maintenance and Materials	923,507	923,507	713,591	209,916
Contractual Services	763,697	788,697	771,924	16,773
Capital Replacement	77,201	77,201	77,201	-
Capital Outlay	-	-	176,695	(176,695)
Total Streets	2,281,370	2,306,370	2,267,291	39,079
Parks and Recreation:				
Parks:				
Salaries and Fringe Benefits	2,540,992	2,600,992	2,570,020	30,972
Supplies	439,194	439,194	377,146	62,048
Maintenance and Materials	656,051	740,051	715,430	24,621
Contractual Services	1,367,232	1,367,232	1,362,464	4,768
Capital Replacement	219,086	219,086	199,934	19,152
Capital Outlay	109,663	145,663	121,038	24,625
Total Parks	5,332,218	5,512,218	5,346,032	166,186
Recreation:				
Salaries and Fringe Benefits	1,152,650	1,092,650	1,084,020	8,630
Supplies	167,452	167,452	149,669	17,783
Maintenance and Materials	225,109	285,109	156,820	128,289
Contractual Services	396,887	396,887	411,200	(14,313)
Capital Replacement	36,727	36,727	36,727	-
Capital Outlay	20,000	20,000	60,462	(40,462)
Total Recreation	1,998,825	1,998,825	1,898,898	99,927
Total Parks and Recreation	7,331,043	7,511,043	7,244,930	266,113
Debt Service:				
Principal Retirement	-	-	162,677	(162,677)
Interest and Fiscal Charges	-	-	13,747	(13,747)
Total Debt Service	-	-	176,424	(176,424)
Capital Outlay:				
Subscriptions and Leases	-	-	386,380	(386,380)
Total Capital Outlay	-	-	386,380	(386,380)
Total Expenditures	48,155,864	48,817,597	48,046,969	770,628
Excess of revenues over expenditures	(11,763)	(11,763)	4,291,130	4,302,893

See accompanying notes to basic financial statements.

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2024

	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES/(USES):				
Transfers Out	-	-	(4,500,000)	(4,500,000)
Sale of Government Assets	20,000	20,000	966	(19,034)
Subscriptions	-	-	381,380	381,380
Total Other Financing Sources/(Uses)	20,000	20,000	(4,117,654)	(4,137,654)
Net Change in Fund Balance	8,237	8,237	173,476	165,239
Fund Balances at Beginning of Year	20,682,959	20,682,959	20,682,959	-
Fund Balances at End of Year	$ 20,691,196	$ 20,691,196	$ 20,856,435	$ 165,239

See accompanying notes to basic financial statements.

Hotel Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2024

	2024			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Hotel/Motel Occupancy Taxes	$ 5,250,000	$ 5,250,000	$ 5,374,881	$ 124,881
Service Fees	1,127,000	1,127,000	1,392,560	265,560
Net Investment Income/(Loss)	75,000	75,000	456,335	381,335
Rental Charges	70,000	70,000	169,372	99,372
Other	100	100	561	461
Total Revenues	6,522,100	6,522,100	7,393,709	871,609
EXPENDITURES:				
Visit Addison	644,711	644,711	606,547	38,164
Conference Centre	274,752	274,752	186,572	88,180
Marketing	1,070,682	1,070,682	961,192	109,490
Special Events	3,855,825	3,855,825	4,087,404	(231,579)
Performing Arts	701,541	701,541	747,619	(46,078)
General Hotel Operations	188,550	188,550	179,812	8,738
Total Expenditures	6,736,061	6,736,061	6,769,146	(33,085)
Net Change in Fund Balance	(213,961)	(213,961)	624,563	838,524
Fund Balances at Beginning of Year	5,330,207	5,330,207	5,330,207	-
Fund Balances at End of Year	$ 5,116,246	$ 5,116,246	$ 5,954,770	$ 838,524

See accompanying notes to basic financial statements.

Proprietary Funds
Statement of Net Position
September 30, 2024

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
ASSETS:					
Current Assets:					
Pooled Cash and Investments	$ 13,093,473	$ 12,703,489	$ 8,795,237	$ 34,592,199	$ 9,841,222
Interest Receivable	234,365	55,360	39,043	328,768	42,807
Accounts Receivable, Net	191,976	2,718,054	382,666	3,292,696	-
Current Public-Private Partnerships Receivable	833,847	-	-	833,847	-
Prepaid Items	61,308	-	-	61,308	54,215
Total Current Assets	14,414,969	15,476,903	9,216,946	39,108,818	9,938,244
Non-Current Assets:					
Capital and Subscription Assets:					
Land	15,633,373	1,625,357	-	17,258,730	-
Construction in Progress	1,647,607	2,429,879	2,274,465	6,351,951	717,331
Buildings	29,927,978	8,695,310	-	38,623,288	6,597
Improvements other than Buildings	66,159,205	58,251,161	5,638,817	130,049,183	-
Machinery and Equipment	3,070,871	3,544,117	473,479	7,088,467	17,541,337
Subscription Assets	-	-	-	-	598,107
Accumulated Depreciation and Amortization	(44,252,432)	(38,367,019)	(982,615)	(83,602,066)	(10,262,366)
Total Capital and Subscription Assets, Net of Accumulated Depreciation/Amortization	72,186,602	36,178,805	7,404,146	115,769,553	8,601,006
Investment in Joint Venture	-	6,062,328	-	6,062,328	-
Public-Private Partnerships Receivable	53,270,204	-	-	53,270,204	-
Total Non-Current Assets	125,456,806	42,241,133	7,404,146	175,102,085	8,601,006
Total Assets	139,871,775	57,718,036	16,621,092	214,210,903	18,539,250
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Charges on Refundings	40,782	229,859	102,637	373,278	-
Deferred Outflows on Pensions	633,961	666,142	105,296	1,405,399	-
Deferred Outflows on OPEB	42,265	55,188	9,781	107,234	-
Total Deferred Outflows of Resources	717,008	951,189	217,714	1,885,911	-
LIABILITIES:					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	$ 554,069	$ 634,157	$ 377,360	$ 1,565,586	$ 321,760
Accrued Interest Payable	43,073	80,458	7,055	130,586	5,509
Current Compensated Absences Payable	103,218	56,906	13,180	173,304	-
Current Maturities of Long-Term Liabilities	536,824	1,122,389	440,438	2,099,651	75,225
Customer Deposits	597,484	1,275,356	-	1,872,840	-
Total Current Liabilities	1,834,668	3,169,266	838,033	5,841,967	402,494
Non-Current Liabilities:					
Long-Term Liabilities, Net of Current Portion	11,133,434	17,302,728	3,999,340	32,435,502	346,206
Total Liabilities	12,968,102	20,471,994	4,837,373	38,277,469	748,700
DEFERRED INFLOWS OF RESOURCES:					
Deferred Inflows on Pensions	36,640	38,454	6,115	81,209	-
Deferred Inflows on OPEB	142,875	186,558	33,059	362,492	-
Deferred Inflows on Public-Private Partnerships	52,063,825	-	-	52,063,825	-
Total Deferred Inflows of Resources	52,243,340	225,012	39,174	52,507,526	-
NET POSITION:					
Net Investment in Capital Assets	64,496,322	23,680,502	3,287,596	91,464,420	7,991,921
Unrestricted	10,881,019	14,291,717	8,674,663	33,847,399	9,798,629
Total Net Position	$ 75,377,341	$ 37,972,219	$ 11,962,259	$ 125,311,819	$ 17,790,550

Reconciliation to business-type activities: Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.	$ 2,612,132
Net Position of business type activities	$ 127,923,951

See accompanying notes to basic financial statements.

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year ended September 30, 2024

	Business Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
OPERATING REVENUES:					
Water	$ -	$ 9,249,861	$ -	$ 9,249,861	$ -
Sewer	-	7,060,091	-	7,060,091	-
Drainage	-	-	2,609,536	2,609,536	-
Penalties	-	108,354	-	108,354	-
Water and Sewer Taps and Other Fees	-	62,918	2,075	64,993	-
Fuel Flowage Fees	1,166,081	-	-	1,166,081	-
Customs Agent Fees	184,075	-	-	184,075	-
Rental Charges	4,516,779	-	-	4,516,779	-
Other Income	465,205	4,379	-	469,584	-
Department Contributions	-	-	-	-	2,645,963
Total Operating Revenues	6,332,140	16,485,603	2,611,611	25,429,354	2,645,963
OPERATING EXPENSES:					
Salaries and Fringe Benefits	2,370,392	2,693,185	748,037	5,811,614	-
Supplies	39,497	233,111	34,054	306,662	9,692
Maintenance and Materials	857,875	1,057,449	717,834	2,633,158	800,143
Contractual Services	1,449,858	1,361,625	371,812	3,183,295	-
Water Purchases	31,610	4,615,709	-	4,647,319	-
Wastewater Purchases	-	3,831,176	-	3,831,176	-
Total Operating Expenses (Excluding Depreciation and Amortization)	4,749,232	13,792,255	1,871,737	20,413,224	809,835
Depreciation and Amortization	3,186,019	1,774,005	237,635	5,197,659	1,567,874
Total Operating Expenses	7,935,251	15,566,260	2,109,372	25,610,883	2,377,709
OPERATING INCOME/(LOSS)	(1,603,111)	919,343	502,239	(181,529)	268,254
NON-OPERATING REVENUES/(EXPENSES):					
Net Investment Income/(Loss)	2,969,896	820,891	693,558	4,484,345	795,422
Gain/(Loss) on Disposal of Assets	-	35,427	-	35,427	81,758
Gain/(Loss) on Joint Venture	-	(81,305)	-	(81,305)	-
Public-Private Partnership Revenues	2,433,506	-	-	2,433,506	-
Interest Expense and Fiscal Charges	(353,851)	(790,776)	(87,777)	(1,232,404)	(10,287)
Total Non-Operating Revenues/(Expenses)	5,049,551	(15,763)	605,781	5,639,569	866,893
NET INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	3,446,440	903,580	1,108,020	5,458,040	1,135,147
Capital Grants and Contributions	8,703,457	368,528	138,800	9,210,785	-
Transfers Out	(469,344)	-	(406,196)	(875,540)	-
CHANGE IN NET POSITION	11,680,553	1,272,108	840,624	13,793,285	1,135,147
Net Position at Beginning of Year	63,696,788	36,700,111	11,121,635	111,518,534	16,655,403
Net Position at End of Year	$ 75,377,341	$ 37,972,219	$ 11,962,259	$ 125,311,819	$ 17,790,550

Reconciliation to business-type activities:	
Change in net position of enterprise funds	$ 13,793,285
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service balances are included with business-type activities.	511,058
Change in net position of business type activities	$ 14,304,343

See accompanying notes to basic financial statements.

Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Airport	Utility	Stormwater	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	$ 5,304,395	$ 16,894,881	$ 2,600,959	$ 24,800,235	$ 2,645,963
Payments to Suppliers	(2,210,473)	(11,053,425)	(996,666)	(14,260,564)	(782,952)
Payments to Employees for Services	(2,523,141)	(2,875,587)	(737,948)	(6,136,676)	-
Net Cash Provided by Operating Activities	570,781	2,965,869	866,345	4,402,995	1,863,011
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and Construction of Capital Assets	(818,752)	(1,778,499)	(448,838)	(3,046,089)	(2,660,231)
Proceeds from Capital Grant	86,133	-	-	86,133	
Principal Paid on Long-Term Debt	(525,000)	(1,080,000)	(430,000)	(2,035,000)	(85,259)
Transfers to Debt Service Fund for Long-Term Debt	(469,344)	-	(406,196)	(875,540)	-
Interest and Fiscal Charges Paid on Long-Term Debt	(377,768)	(874,288)	(75,564)	(1,327,620)	(9,551)
Principal Paid on Interfund Loan for Capital Purchase	(176,667)	-	-	(176,667)	-
Proceeds from Sale of Capital Assets	-	35,427	-	35,427	81,758
Net Cash Provided/(Used) by Capital and Related Financing Activities	(2,281,398)	(3,697,360)	(1,360,598)	(7,339,356)	(2,673,283)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Cash and Investments	2,966,238	833,945	701,869	4,502,052	804,969
Net Cash Provided/(Used) by Investing Activities	2,966,238	833,945	701,869	4,502,052	804,969
Net Increase/(Decrease) in Cash and Cash Equivalents	1,255,621	102,454	207,616	1,565,691	(5,303)
Cash and Cash Equivalents, October 1	11,837,852	12,601,035	8,587,621	33,026,508	9,846,525
Cash and Cash Equivalents, September 30	$ 13,093,473	$ 12,703,489	$ 8,795,237	$ 34,592,199	$ 9,841,222
Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:					
Operating Income/(Loss)	$ (1,603,111)	$ 919,343	$ 502,239	$ (181,529)	$ 268,254
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Depreciation and Amortization	3,186,019	1,774,005	237,635	5,197,659	1,567,874
Change in Assets, Liabilities, and Deferred Items:					
(Increase)/Decrease in Accounts Receivables	(28,484)	373,303	(10,652)	334,167	-
(Increase)/Decrease in Prepaid Items	(1,265)	-	-	(1,265)	(54,215)
Increase/(Decrease) in Accounts Payable	156,598	13,140	161,270	331,008	81,098
Increase/(Decrease) in Customer Deposits	(14,762)	35,975	-	21,213	-
(Increase)/Decrease in Deferred Outflows on Pensions	358,719	376,477	59,870	795,066	-
(Increase)/Decrease in Deferred Outflows on OPEB	44,582	58,212	10,317	113,111	-
Increase/(Decrease) in Deferred Inflows on Pensions	36,640	38,454	6,115	81,209	-
Increase/(Decrease) in Deferred Inflows on OPEB	31,114	40,627	7,196	78,937	-
Increase/(Decrease) in Net Pension Liability	(522,327)	(548,183)	(87,178)	(1,157,688)	-
Increase/(Decrease) in Net/Total OPEB Liability	(88,443)	(115,484)	(20,467)	(224,394)	-
(Increase)/Decrease in Public-Private Partnerships Receivable	783,022	-	-	783,022	-
Increase/(Decrease) in Deferred Inflows on Public-Private Partnerships	(1,767,521)	-	-	(1,767,521)	-
Net Cash Provided by Operating Activities	$ 570,781	$ 2,965,869	$ 866,345	$ 4,402,995	$ 1,863,011
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Grants and Contributions	$ 23,317,324	$ 368,528	$ 138,800	$ 23,824,652	$ -
Capital Assets in Accounts Payable	163,097	180,813	152,720	496,630	187,652
Amortization of Public-Private Partnership Deferrals	2,433,506	-	-	2,433,506	-
Gain/(Loss) on Joint Venture	-	(81,305)	-	(81,305)	-
Net Noncash Items from Capital and Related Financing Activities	$ 25,913,927	$ 468,036	$ 291,520	$ 26,673,483	$ 187,652

See accompanying notes to the basic financial statements.

Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2023

	Other Postemployment Benefits Trust Fund
ASSETS:	
Cash and Investments	$ 687,151
Total Assets	687,151
LIABILITIES:	
Investment Fees Payable	1,251
Total Liabilities	1,251
NET POSITION:	
Restricted for Postemployment Benefits Other than Pensions	685,900
Total Net Position	$ 685,900

See accompanying notes to basic financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2023

	Other Postemployment Benefits Trust Fund
ADDITIONS:	
Employer Contributions	$ 858,815
Investment Income	
Net Increase in Fair Value of Investments	53,039
Interest and Dividends	16,161
Less Investment Expense	(3,300)
Net Investment Income	65,900
Total Additions	924,715
DEDUCTIONS:	
Benefit Payments	238,815
Total Deductions	238,815
Change in Net Position	685,900
Net Position, Beginning of Year	-
Net Position, End of Year	$ 685,900

See accompanying notes to basic financial statements.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Addison, Texas ("Town"), relating to the funds included in the accompanying financial statements, conform to the generally accepted accounting principles applicable to state and local governments. The following represent the more significant accounting and reporting policies and practices used by the Town.

A. Reporting Entity

The Town is a municipal corporation incorporated on June 15, 1953, under the Constitution of the State of Texas (Home Rule Amendment). The Town's charter was last amended in January 2021. The Town operates as a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the Town and its inhabitants.

The Town is a financial reporting entity as defined by GASB Statement No. 14, "*The Financial Reporting Entity,*" as amended by GASB Statement No. 61 "The Financial Reporting Entity: Omnibus: an amendment of GASB Standards No. 14 and No. 34." As required by generally accepted accounting principles (GAAP), the Town's financial statements include all required activities relating to the Town and its operations. In accordance with the standards, the Town does not have component units requiring inclusion.

B. Basic Financial Statements

The basic financial statements include both government-wide financial statements (based on the Town as a whole) and fund financial statements. Both sets of financial statements classify activities as governmental activities, which are supported by taxes and intergovernmental revenues, business-type activities, which rely on fees and charges for support, or fiduciary, which are assets held in a trustee capacity which cannot be used by the Town for its own activities.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are excluded from the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. "Measurement focus" refers to what is being measured, and "basis of accounting" refers to the timing of revenue and expenditure recognition in financial statements. The government-wide financial statements, the proprietary funds, and the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are reported when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied.

The governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town considers all revenues available if they are collected within thirty (30) days after year-end. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, including lease and subscription liabilities, which are recorded when due, and compensated absences, pension, and post-employment benefit obligations, which are recorded when payable from currently available financial resources.

Ad Valorem (property), sales, and hotel taxes, as well as franchise fees, recorded in the General Fund and Ad Valorem tax revenues recorded in the Economic Development Fund, General Obligation Debt Service Fund and Capital Project Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services (except ambulance services), fines and forfeitures (except court warrants), and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Ambulance services, court warrants and investment earnings are recorded as earned since they are measurable and available.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's airport and utility functions and various other functions of the Town, and charges of the internal service funds to the Airport and Utility funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses of the Town's enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Town reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. Revenues which are not allocated by law or contractual agreement to other funds are accounted for in this fund.

Hotel Fund – The Hotel Fund is used to account for tax revenues received from local hotels. Expenditures must fall within the guidelines set forth in the Texas Hotel Occupancy Tax Act (Article 1269: Vernon's Texas Civil Statutes). This fund has been designated as a major fund by Town management.

General Obligation Debt Service Fund – The General Obligation Debt Service Fund accounts for the accumulation of resources to be used for the payment of principal and interest on the general obligation bonded debt of the Town.

Capital Project Fund – The Capital Project Fund is used to account for financial resources related to the acquisition, construction, or improvements of major capital assets.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the Town reports the following non-major governmental funds:

Municipal Court Fund - The Municipal Court Fund accounts for the Town's court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court function.

Public Safety Fund - The Public Safety Fund accounts for awards of monies or property by the courts relating to cases that involve the Addison Police Department.

Grant Fund - The Grant Fund accounts for grant monies that are received prior to the related expenditure, and therefore the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year. The fund also accounts for expenditures for which the Town expects to be reimbursed.

Economic Development Fund - The Economic Development Fund accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

PEG Fees Fund - The PEG Fees Fund was created to collect state restricted public, educational, and government access channels, or PEG, fees and account for their use.

The Town reports the following major proprietary funds:

Airport Fund - The Airport Fund accounts for all revenue generated by the Town's general aviation airport. The Town is required to spend this revenue on airport functions. The airport's operating, maintenance, and capital expenses are supported solely by airport income.

Utility Fund - The Utility Fund provides water and sewer services to the residents and businesses of the Town. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing.

Stormwater Fund - The Town's Stormwater Fund accounts for maintenance and improvements to Town stormwater infrastructure. It is financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges. All operating, maintenance, and capital expenses are supported solely by the approved user fees. This fund has been designated as a major fund by Town management.

Additionally, the Town reports the following internal service funds:

Capital Replacement Fund - The Capital Replacement Fund is used to accumulate sufficient resources to replace existing capital equipment that have reached or exceeded their useful lives. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each piece of equipment based upon the item's expected life. The funds are used to finance replacement equipment when needed.

Information Technology Replacement Fund - The Information Technology Replacement Fund is used to accumulate sufficient resources to replace existing information technology systems. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each component of a system based upon the component's expected life. The funds are used to finance replacement equipment when needed.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Facility Maintenance Fund - The Facility Maintenance Fund is used to accumulate sufficient resources to repair and improve Town facilities. Resources are acquired through charges to operating departments in the funds. The charges are calculated using a straight-line amortization of each component of the facilities based on its expected life. The funds are used to finance repairs and improvements of facilities when needed.

Lastly, the Town reports one fiduciary fund:

Other Postemployment Benefits Trust Fund - The Other Postemployment Benefit Trust Fund is an irrevocable trust held by the Town to accumulate assets to cover the cost of benefits paid to retirees.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity

1) Cash and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. To maximize investment opportunities, all funds participate in a pooling of cash and investments.

Statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities; obligations of the State of Texas and related agencies; obligations of state, agencies, counties, cities and other political subdivisions of any state rated A or above by Standard & Poor's Corporation or Moody's Investors Service; certificates of deposit issued by state or national banks and savings banks domiciled in Texas; fully collateralized direct repurchase agreements; prime domestic banker's acceptances (BA's); commercial paper with a stated maturity of 180 days or less and a rating of not less than A-1+ or its equivalent; and state or local government investment pools.

Investments in debt securities for the Town are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town considers quoted market price at September 30, 2024 to be the fair value of investments. Investments in negotiable certificates of deposit are carried at fair value. The government investment pools, TexPool, TexSTAR, Texas CLASS, and LOGIC operate in accordance with state laws and regulations. Investments in external pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the Town's fiscal year end. In instances where pools transact at amortized cost, such as TexPool, no readily determinable fair value is deemed available.

2) Receivables

All receivables for the Town are reported net of an allowance for uncollectibles. The allowances are based on historical collections data and evaluated periodically.

The Town's property tax lien is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Values are assessed at 100% of the estimated market value. Taxes are due by January 31 following the levy date and are considered delinquent after January 31. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance.

3) Inventories and Prepaid Items

In accordance with the consumption method of accounting, both inventories and prepaid items are recorded as expenditures when consumed rather than when purchased.

Inventories are stated at cost. Cost is determined for inventories of fuel using the moving-average method.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the government-wide and fund financial statements. The prepaid items of the Town consist primarily of prepaid software maintenance agreements, the quarterly payment to Dallas Central Appraisal District for appraisal fees, the quarterly payment to US Customs and Border Protection for services at the Addison Airport, and postage.

4) Capital, Lease, and Subscription Assets

Capital assets include land, buildings, lease buildings, equipment, lease equipment, subscription assets, and improvements. Improvements include upgrading facilities other than buildings such as streets or sewers and infrastructure, including pavement, storm sewers, and right-of-way contributed by developers. Capital expenditures are defined as purchases that meet specific guidelines as listed below:

- Expected useful life must be three years or more for equipment and ten years or more for improvements.
- Original unit cost of the equipment should be $5,000 or greater and includes all costs enabling the item into operation, such as freight, installation, and accessories; capital improvements should be $25,000 or greater.
- The item should not be consumed, unduly altered, or materially reduced in value immediately by use.

The Land and Improvements other than Buildings categories associated with governmental activities include amounts for infrastructure. Related accumulated depreciation of Improvements other than Buildings includes amounts associated with infrastructure. Subsequently, infrastructure is tracked and reported as a separate component of general capital assets associated with governmental activities.

The internal service funds may record assets that have an original cost of $5,000 or less if assets are considered part of an overall system. Individual items may be retired and replaced as parts of the larger system.

Contributed assets are recorded at acquisition value as of the date donated. Depreciation and amortization of property, plant, and equipment by major classes is provided by the straight-line method based on the following estimated useful lives by major class of depreciable capital assets:

Buildings	50 years
Lease buildings	10 years
Improvements other than buildings	20-50 years
Equipment	3-50 years
Lease equipment	3-10 years
Subscription assets	3-10 years

Depreciation and amortization of current year additions/ retirements is computed at one-half the straight-line rate.

5) Compensated Absences

Vacation, holiday, and sick pay costs are charged to operations when taken by the employees of the Town. In the event of termination, an employee is reimbursed for all accumulated vacation and holiday days not exceeding two years' accumulation. The amounts of such liabilities have been provided for in the government-wide financial statements. No reimbursements upon termination are made for accumulated sick leave; accordingly, no liability for unused sick leave has been provided. The liability is computed based on the reimbursable hours at the employees' rate of pay as of September 30, 2024. The Town's liability for compensated absences increased $120,857 for a total liability of $1,368,977.

6) Leases

The Town of Addison is a lessee for noncancellable leases of equipment and building office space. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The town recognizes lease assets with an initial, individual value of $30,000 or more.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the commencement of a lease, the Town of Addison initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The interest rate charged by the lessor will be used as the discount rate. When the interest rate charged by the lessor is not provided, the Town will generally use its estimated incremental borrowing rate as the discount rate for the leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town of Addison monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

7) Subscription-Based Information Technology Arrangements (SBITA)

The Town of Addison has several software subscriptions under GASB 96. The Town recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) for these subscriptions. The Town recognizes subscription assets with an initial, individual value of $30,000 or more.

At the commencement of a subscription, the Town of Addison initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at, and certain payments made before the subscription commencement date, plus certain initial direct costs. The subscription asset is amortized on a straight-line basis over the shorter of its useful life or the subscription term.

Key estimates and judgments related to subscriptions include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The interest rate charged by the vendor will be used as the discount rate. When the interest rate charged by the vendor is not provided, the Town will generally use its estimated incremental borrowing rate as the discount rate for the subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town of Addison monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liability.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8) Grants and Contributions

Included in capital grants and contributions in the government-wide financial statements is $368,528 in developer contributions to the Utility Fund. Capital grants also includes a $100,000 contribution for dog park improvements, a $86,133 grant reimbursement for a land purchase, and $8,617,324 in public-private partnerships asset reversions. Operating grants and contributions includes $105,728 of grant funding for public safety, a $7,641 retail food regulatory grant, and a $100,000 grant for Airport operations.

9) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and other postemployment benefit (OPEB) contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in OPEB assumptions - These changes are deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB through the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period.
- Difference in expected versus actual experience for pensions and OPEB - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions though the pension plan (active and inactive employees) determined as of the beginning of the measurement period or employees who are provided OPEB through the Town's OPEB plan.
- The difference between projected and actual investment earnings on pensions - This difference is deferred and amortized over the estimated average remaining service lives of all employees that are provided with pensions through the pension plan (active and inactive employees) determined as of the beginning of the measurement period. In the full accrual government-wide statements, the unavailable resources are recognized as revenue and not deferred.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has four types of items that qualify for reporting in this category. The difference due to changes in OPEB and pension assumptions is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB and pensions through the OPEB and pension plans (active and inactive employees) determined as of the beginning of the measurement period. The difference in expected and actual OPEB experience is deferred and recognized over the estimated average remaining service lives of all employees that are provided with OPEB though the OPEB plans (active and inactive employees) determined as of the beginning of the measurement period. The difference between actual and projected investment earnings on OPEB is amortized over the estimated average remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period. The deferred inflows from public-private partnerships are amortized over the life of the agreements.

10) Fund Equity

The Town reports governmental fund balances per GASB 54 definitions as follows:

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonspendable – Amounts that are not in spendable form or are required to be maintained intact, such as inventory or prepaid amounts or that are legally or contractually required to remain intact.

Restricted – Amounts that can be spent only for specific purposes stipulated by external parties, such as grants, court technology fees, and court building security fees or that are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts whose use is constrained by specific limitations that the Town imposes itself, as determined through an ordinance passed by the Town Council. Once adopted, the limitation imposed by the ordinance remains in place until another ordinance removes or revises the limitation.

Assigned – Amounts intended to be used for specific purposes. Intent may be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Council has delegated the CFO or his designee as the official authorized to assign fund balance for a specific purpose as approved by the fund balance policy.

Unassigned – Amounts not contained in other classifications that can be used for any purpose. Only the General Fund reports a positive unassigned fund balance. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Governmental fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by Town management based on Council direction.

The Town will utilize funds for expenditures from the most restrictive fund balance first when more than one fund balance classification is available, with most restrictive being restricted, then committed, then assigned, and lastly unassigned.

11) Minimum Fund Balance Policy

It is the desire of the Town to maintain adequate fund balances to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 30 percent of budgeted expenditures, and a minimum fund balance of 25 percent of budgeted expenditures for all other operating funds.

12) Net Position

Net Position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either though the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the remaining amount not contained in the other classifications and can be used for any purpose. Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budget Policy – The City Council follows these procedures in establishing the budget reflected in the financial statements:

1) Prior to August 1 each year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means to finance them.

2) Public hearings are conducted where all interested persons' comments concerning the budget are heard.

3) The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.

4) The department level is the legal level of control enacted by the Town Charter. The Town has also adopted a budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Chief Financial Officer. Transfers between operating departments may occur with the approval of the City Manager and Chief Financial Officer provided a department's total budget is not changed by more than five percent. Transfers between funds or transfers between departments that change a department's total budget by more than five percent must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council.

   Budgetary control is maintained at the department level, which is a subset of the functional level, by the review of all requisitions of estimated purchase amounts prior to the release of purchase orders to vendors.

5) Budgets for the General, Special Revenue, and Debt Service funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the Capital Project funds are normally established pursuant to the terms of the related bond indentures, that is, project basis. Accordingly, no comparison of budget to actual is presented in the financial statements for the Capital Project fund.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budget Data – The budget amounts presented in the statements reflect original and amended budget amounts. The FY2024 budget was amended two times, and the amendments were approved by City Council on April 9, 2024, and September 24, 2024. The April 9th amendment was to allocate funds to the General Fund for a agenda management and strategic planning software, Harris radio system maintenance, and a hybrid parks maintenance model. Additionally, this amendment was to reallocate personnel costs to the City Manager's Office and Police Department due to the outcomes of the compensation market study, offset by decreases in the Human Resources, Fire, and Development Services departments. The amendment also added funding for various projects in the Self-Funded Special Projects Fund including audio and video equipment improvements at the Conference Centre as well as prior year encumbrances for the Comprehensive Plan, Unified Development Code, Theatre Centre Operational Study, Athletic Center fitness wall treatments, Transit-Oriented Development financial impact study, and capital equipment. Funds were also allocated from the Capital Projects Fund for prior year encumbrances from the 2013 Stormwater Certificates of Obligation, the 2012 General Obligations/Certificates of Obligation, and the 2019 Certificates of Obligation. The September 24th budget amendment appropriated funds from the General Fund for pass-through funding to the North Texas Emergency Communications Center (NTECC), legal services, animal control services, and street maintenance and signals, which were offset by increases in sales tax and 911 fees revenue. Additional funds were allocated for Conference Centre renovations and prior year encumbrances in the Infrastructure Investment Fund. The amendment includes an allocation to update the Town's water and wastewater maintenance plan in the Utility Fund offset by water sales revenue of an equal amount. The amendment also reflects an allocation for expenditures from the Capital Projects Fund for prior year encumbrances from the 2021 General Obligation Bonds and 2024 Certificates of Obligation Bonds for the construction of the new NTECC facility. In addition, this amendment allocated funds form the Self-Funded Special Projects Fund for emergency storm debris cleanup, Christmas tree lease and lighting, storm related facility repairs, Police and Fire staffing study, TXDOT Highway Safety Improvement Program design and matching funds, tree replacement and mitigation, and an allocation from prior year encumbrances for the Unified Development Code and Beltway Trail consulting. Finally, this amendment also gives the City Manager authority to transfer from the General Fund to the Capital Projects Fund unexpended appropriations and excess revenue for the fiscal year ended September 30, 2024.

Excess of Expenditures over Appropriations – For the year ended September 30, 2024, the Special Events and Performing Arts departments in the hotel fund exceeded their budgets by $231,579 and $46,078, respectively. However, savings in the other departments coupled with higer actual revenue than budgeted amounts more than covered these overages.

Encumbrance accounting is employed in governmental funds, but all operating encumbrances are liquidated at year-end. Only encumbrances for capital project contracts and capital equipment purchase orders roll forward to the next fiscal year to increase following year capital budgets.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The Town has seven bank accounts: the Operating Account, Controlled Disbursement Account, Payroll Account, ACH/Wire Account, Benefits Account, Police Seizure Escrow Account, and the Addison Airport Account. The Controlled Disbursements and Payroll accounts are zero-balance accounts. The ACH/Wire Account is used for all receipts and expenditures made by ACH or wire transfer. The Town uses the Operating Account as an operating pool available for all funds. Each fund type's portion of this pool is reported as "Pooled Cash and Investments." The other demand accounts are reported in the same manner. The Police Seizure Escrow Account is used to hold police seized funds pending legal judgments. The Addison Airport account is a checking account used by the management companies at the Airport to cover operational expenses.

The investment policies of the Town are governed by state statutes and an Investment Policy Ordinance adopted by the City Council. Major provisions of the Town's investment policy include: responsibility for investments, authorized investments, bank and security dealer selection and qualifying procedures, safekeeping and custodial procedures, statement of investment objectives, and investment reporting procedures.

Cash

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies or instrumentalities that have a fair value of not less than the principal amount of the deposits. The Town's deposits were fully insured or collateralized as required by the state statutes at September 30, 2024. Included in Pooled Cash and Investments is $3,950 of petty cash. At year-end, the carrying amount of the Town's deposits was a debit balance of $3,920,470. The respective bank balance totaled $4,401,814. In addition, collateral with a fair value of $4,166,654 were held by the pledging financial institution's account at the Bank of New York Mellon in the Town's name.

In order to maximize interest earnings, the Town utilizes a controlled disbursement account that allows the Town to deposit only as much money needed to fund checks presented for payment each day. The amount required is withdrawn from the operating pool.

External Investment Pools

The Town's pool investments as of September 30, 2024 were invested in LOGIC, TexPool, TexSTAR (Texas Short Term Asset Reserve program) and Texas CLASS (Texas Cooperative Liquid Assets Securities System).

Federated Investors is the full service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts. State Street Bank serves as custodian to TexPool Hilltop Securities, Inc. (HTS) and JPMorgan Investment Management, Inc. (JPMIM) serve as co-administrators for LOGIC and TexSTAR under an agreement with its Board of Trustees and Board of Directors, respectively. HTS provides distribution, administrative, participant support and marketing services. JPMIM provides investment management, custody and fund accounting services. JPMorgan Chase Bank, N.A. serves as custodian for LOGIC and TexSTAR. Texas CLASS is administered by Public Trust Advisors, LLC and UMB Bank serves as custodian which provide investment, financial or other cash management services.

LOGIC, TexPool, TexSTAR and Texas CLASS are not registered with the Securities and Exchange Commission (SEC) as investment companies. LOGIC, TexPool, TexSTAR and Texas CLASS are investment pools that have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The government investment pool TexPool is carried at amortized cost. LOGIC, TexSTAR, and Texas CLASS are carried at net asset value.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Investments

As of September 30, 2024, the Town held the following investments:

	Carrying Value	WAM (Days)
Agency Securities	$ 31,831,499	188
Municipal Bonds	45,679,250	244
Commerical Paper	1,375,261	2
Negotiable Certificates of Deposit	5,121,568	36
Total Investment in Securities	84,007,578	
LOGIC	35,334,885	79
TexPool	1,111,376	100
TexSTAR	1,108,179	67
Texas CLASS	3,831,356	83
Total Investment in Pools	41,385,796	
Total Investments	$ 125,393,374	470

In accordance with GASB Statement No. 72, "*Fair Value Measurement and Application,"* the Town records investments at fair value. However, for participating interest-earning investment contracts with maturities of one year or less at time of purchase, the Town reports these investments at amortized cost. Investments in debt securities are carried at fair value. Fair value for debt securities is determined using a multi-dimensional relational model using standard inputs including TRACE reported trades. Investments in negotiable certificates of deposits are carried at fair value.

Interest Rate Risk – In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the weighted average days to maturity of its investment portfolio to 24 months (730 days). This means investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools.

Credit Risk – The reported investments meet the criteria specified in the Town's investment policy related to the specific types of instruments presented.

1. Debt obligations with a maturity not to exceed five years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities is pledged for payment: Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). The Town's investments in bonds of U.S. Agencies were rated Aaa by Moody's Investors Service and AAA by Standard and Poor's. Mortgage-backed securities may be held as collateral although principal-only and interest-only mortgage-backed securities as well as all types of collateralized mortgage obligations (CMO) and real estate mortgage investment conduits (REMICs) are expressly prohibited.

2. Time Certificates of Deposit with a maturity not to exceed five years from the date of purchase, insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, in depository institutions that have a main office or a branch in the state of Texas which have been approved by the Town in accordance with its Investment Policy. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD federally insured may be purchased through a selected depository institution with its main office or branch office in Texas. This depository shall act as the custodian for the various certificates on behalf of the Town.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

3. Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent with a maturity not to exceed five (5) years from the date of purchase.

4. Prime commercial paper with an original maturity of two hundred seventy (270) days or less which, at the time of purchase, is rated at least A-1 by Standard and Poor's, P-1 by Moody's, or F1 by Fitch.
   - At the time of the purchase, the commercial paper must be rated by at least two of the above stated ratings agencies at the above stated minimum credit criteria.
   - If more than two of the above rated agencies rates an issuer, all the rating agencies must rate the issuer in accordance with the above stated minimum credit criteria.
   - If the commercial paper issuer has senior debt* outstanding, the senior debt must be rated by each service that publishes a rating of the issue at least: A-1 by Moodys, A+ by Standard and Poor's, and A+ by Fitch. (*Senior Debt is defined as the most senior secured or unsecured debt of an issuer with an original maturity exceeding one year.)

5. State and Local Investment Pools organized under the Interlocal Cooperation Act that meet the requirements of Chapter 2256 Texas Government Code and have been specifically approved by the CFO and authorized by the City Council. LOGIC, TexPool, TexSTAR and Texas CLASS are all currently rated AAA by Standard and Poor's.

Concentration of Credit Risk – It is the Town's policy to avoid a concentration of assets in a specific maturity, a specific issue, or a specific class of securities. The applicable limits on the Town's investments as of September 30, 2024 based on par value, are Instrumentality Securities (70%) of which the Town's portfolio is currently at 25.6%, Municipal Bonds (50%) of which the Town's portfolio is currently at 36.6%, Commercial Paper (30%) of which the Town's portfolio is currently at 1.1%, Certificates of Deposit (50%) of which the Town's portfolio is currently at 4.1%, and Local Government Investment Pools (70%) of which the Town's portfolio is currently at 32.6%.

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at September 30, 2024:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Investments by fair value level				
U.S. Agency Securities	$ 31,831,499	$ -	$ 31,831,499	$ -
Municipal Bonds	45,679,250	11,362,044	34,317,206	-
Commerical Paper	1,375,261	-	1,375,261	-
Negotiable Certificates of Deposit	5,121,568	-	5,121,568	-
Total Investment by fair value level	84,007,578	$ 11,362,044	$ 72,645,534	$ -
Investments measured at net asset value - LOGIC	35,334,885			
Investments measured at amortized cost - TexPool	1,111,376			
Investments measured at net asset value - TexSTAR	1,108,179			
Investments measured at net asset value - Texas CLASS	3,831,356			
Total Investments	$ 125,393,374			

Certain investments that are measured at amortized cost or using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate amortized cost or net asset value for all related external investment pool balances.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, and the assets are classified in Level 2, their fair values are estimated by using the matrix pricing technique. This technique includes quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At September 30, 2024, no investments are held by the Town meeting the Level 3 hierarchy classification.

Investment in State Investment Pools

During the year, the Town invested in multiple public fund investment pools, including LOGIC, TexPool, TexSTAR and Texas CLASS. TexPool is measured at amortized cost, and LOGIC, TexSTAR, and Texas CLASS are measured at net asset value. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds. The Town can liquidate funds daily without penalty, and there is no unfunded commitment.

B. Ad Valorem (Property) Taxes

Property taxes attach as an enforceable lien on property as of January 1. The Town's property tax is levied on the assessed value listed as of the prior January 1 for all real and business personal property located in the Town. Assessed values are established by Dallas Central Appraisal District at 100% of the estimated market value and certified by the Appraisal Review Board. The assessed taxable value for the roll of January 1, 2023, upon which the fiscal year 2024 levy is based, was $6,119,151,951.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The Town is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate for the year ended September 30, 2024 was $.609822 per $100, of which $.450330 was allocated for general government and $.159492 was allocated for the payment of principal and interest on general obligation and certificates of obligation long-term debt.

Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance. Current tax collections for the year ended September 30, 2024, were 96.89% of the original tax levy. In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the Town may, at its own expense, require annual reviews of appraised values. The Town may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this arrangement, the Town continues to set tax rates on Town property.

If the effective tax rate, excluding tax rates for retirement of bonds and other debt, adjusted for new improvements, exceeds the rate for the previous year by more than 3.5%, the Town is required to hold an election to determine whether to limit the tax rate to no more than 3.5%. This legislation also provides that, if approved by the qualified voters in the Town, both the appraisal and collection functions may be placed with the appraisal district.

In the governmental funds financial statements, taxes are recognized as revenue beginning on the date of levy when they become available. “Available” means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within thirty (30) days of the fiscal year ending are recorded as deferred inflows of resources and recognized as they become available. Taxes collected prior to the levy date to which they apply are recorded as unearned revenues and recognized as revenue of the period to which they apply.

An allowance for uncollectible taxes is provided based on an analysis of historical trends.

C. Receivables

As of September 30, 2024, receivables for the Town’s individual major governmental funds, non-major governmental funds, and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Debt Service	Capital Projects	Non-Major Funds	Total
Taxes:					
Ad Valorem	$ 831,253	$ 346,386	$ 12,509	$ 48,986	$ 1,239,134
Service Fees	1,067,680	-	-	-	1,067,680
Ambulance	985,996	-	-	-	985,996
Gross Receivables	$ 2,884,929	$ 346,386	$ 12,509	$ 48,986	$ 3,292,810
Less: Allowance for Uncollectibles	1,713,352	232,052	8,118	32,136	1,985,658
Net Receivables	$ 1,171,577	$ 114,334	$ 4,391	$ 16,850	$ 1,307,152

The above allowance for uncollectible accounts represents reserves for ambulance ($394,398), court warrants ($696,613), alarm ($87,754), and property taxes ($806,893).

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

In the proprietary funds at September 30, 2024 the Airport fund has $217,129 regulated and short-term leases receivable, net of an allowance of $25,153. The Utility fund has $2,772,732 in water and sewer sales receivable, net of an allowance of $54,678. The Stormwater fund has stormwater fees receivable of $412,745, net of an allowance of $30,079.

D. Capital, Lease, and Subscription Assets

Capital, Lease, and Subscription Asset activity for the year ended September 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, not Depreciable:					
Land	$ 72,163,696	$ 812,172	$ -	$ -	$ 72,975,868
Intangible Assets	862,221	-	-	-	862,221
Construction in Progress	37,923,057	12,607,798	-	(2,245,669)	48,285,186
Total Capital Assets, not Depreciable	110,948,974	13,419,970	-	(2,245,669)	122,123,275
Capital, Lease, and Subscription Assets, being Depreciated/Amortized					
Buildings	23,937,051	46,000	-	-	23,983,051
Lease Buildings	236,472	-	-	-	236,472
Improvements other than Buildings	205,972,580	409,975	-	1,775,309	208,157,864
Machinery and Equipment	29,804,354	2,509,598	(717,494)	331,560	31,928,018
Lease Equipment	194,084	-	(22,727)	-	171,357
Subscription Assets	412,005	572,482	-	-	984,487
Total Capital, Lease, and Subscription Assets, Depreciable	260,556,546	3,538,055	(740,221)	2,106,869	265,461,249
Less Accumulated Depreciation/Amortization for:					
Buildings	(16,697,722)	(408,578)	-	-	(17,106,300)
Lease Buildings	(31,529)	(47,294)	-	-	(78,823)
Improvements other than Buildings	(143,060,197)	(6,911,927)	-	-	(149,972,124)
Machinery and Equipment	(14,973,778)	(2,950,687)	712,781	-	(17,211,684)
Lease Equipment	(57,991)	(28,996)	22,727	-	(64,260)
Subscription Assets	(45,778)	(151,131)	-	-	(196,909)
Total Accumulated Depreciation/Amortization	(174,866,995)	(10,498,613)	735,508	-	(184,630,100)
Total Capital, Lease, and Subscription Assets, net	85,689,551	(6,960,558)	(4,713)	2,106,869	80,831,149
Governmental Activities Capital, Lease, and Subscription Assets, net	$ 196,638,525	$ 6,459,412	$ (4,713)	$ (138,800)	$ 202,954,424
Business-type Activities:					
Capital Assets, not Depreciable:					
Land	$ 17,258,730	$ -	$ -	$ -	$ 17,258,730
Construction in Progress	4,123,408	2,228,543	-	-	6,351,951
Total Capital Assets, not Depreciable	21,382,138	2,228,543	-	-	23,610,681
Capital Assets, Depreciable:					
Buildings	19,563,746	19,059,541	-	-	38,623,287
Improvements other than Buildings	124,999,333	4,911,051	-	138,800	130,049,184
Machinery and Equipment	7,161,965	285,615	(85,354)	-	7,362,226
Total Capital Assets, Depreciable	151,725,044	24,256,207	(85,354)	138,800	176,034,697
Less Accumulated Depreciation for:					
Buildings	(4,021,895)	(625,066)	-	-	(4,646,961)
Improvements other than Buildings	(71,547,490)	(4,038,756)	-	-	(75,586,246)
Machinery and Equipment	(2,933,790)	(560,664)	85,354	-	(3,409,100)
Total Accumulated Depreciation	(78,503,175)	(5,224,486)	85,354	-	(83,642,307)
Total Capital Assets, Depreciable, net	73,221,869	19,031,721	-	138,800	92,392,390
Business-type Activities Capital Assets, net	$ 94,604,007	$ 21,260,264	$ -	$ 138,800	$ 116,003,071

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Depreciation and amortization expense was charged to departments of the Town as follows:

	Governmental Activities	Business-type Activities
General Government	$ 401,383	$ -
Public Safety	628,991	-
Development Services	5,116	-
Streets	6,066,226	-
Parks and Recreation	1,324,567	-
Visitor Services	531,283	-
IT Replacement	553,492	-
Capital Replacement	980,147	26,827
Facility Maintenance	7,408	-
Airport Fund	-	3,186,019
Utility Fund	-	1,774,005
Stormwater Fund	-	237,635
	$ 10,498,613	$ 5,224,486

The following tabulation presents the estimated significant commitments under unfinished capital construction and equipment contracts that are fully funded as of September 30, 2024:

Project	Estimated Commitments	Less Expenditures to Date	Total Commitment Remaining
Governmental Activities			
Vitruvian Public Infrastructure (various)	$ 6,170,260	$ 4,319,570	$ 1,850,690
Airport Parkway Reconstruction	9,400,000	1,012,850	8,387,150
Keller Springs Reconstruction	19,700,000	2,665,243	17,034,757
Montfort Drive Reconstruction	14,600,000	522,244	14,077,756
Les Lacs Pond Improvements	6,212,108	1,186,445	5,025,663
Midway Road Reconstruction	42,356,038	37,452,201	4,903,837
Quorum Drive Reconstruction	27,103,490	1,161,288	25,942,202
2019 Bond Prop D Ph 1 & Ph 2	4,726,467	2,909,650	1,816,817
	$ 130,268,363	$ 51,229,491	$ 79,038,872
Business Type Activities			
Lake Forest Dr Water & Sewer Impv	$ 1,579,923	$ 1,561,154	$ 18,769
Rawhide Creek Basin Drainage Improvement	2,344,991	2,202,026	142,965
Jimmy Dolittle Dr Reconstruction	1,687,000	175,253	1,511,747
Airport Fuel Storage Expansion	15,500,000	198,800	15,301,200
	$ 21,111,914	$ 4,137,233	$ 16,974,681

As mentioned in Note IIA, the Town employs encumbrance accounting. The Town had the following outstanding encumbrances related to capital projects and equipment at September 30, 2024. The Stormwater fund had $2,854,177 for drainage improvements, the Utility fund had $1,166,905 for pump station and sewer line improvements, the Airport fund had $32,912 for airport runway and apron projects, the Capital Project fund had $24,369,190 for various streets, facilities, and parks projects, and the internal service funds had $2,160,272 for capital equipment.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Investments in Joint Ventures

Interlocal Sanitary Sewer Interceptor Agreement

The Town is party to an interlocal agreement, which established a non-profit water supply corporation (North Dallas County Water Supply Corporation) for the purpose of constructing, maintaining, and operating a joint sanitary sewer interceptor with the City of Farmers Branch. The non-profit water supply corporation is governed by a six-member board composed of three appointees from each entity. The Town was obligated for construction costs of the project in proportion to its percentage of allocated flows for each specific portion of the project as set forth in the agreement. The Town is also obligated to pay 55% of all general overhead costs. Operating and maintenance costs since the project became operational shall be paid in accordance with respective percentages of allocated flows as set forth in the agreement.

The Town's net investment and its share of general overhead expenses are reported in the Town's Utility Fund (an enterprise fund). The Town's equity interest in the North Dallas County Water Supply Corporation of $6,062,328 is included in Unrestricted Net Position. This joint venture provides audited financial statements bi-annually. Complete financial statements for the North Dallas County Water Supply Corporation for the fiscal year ended September 30, 2023 can be obtained from Mark Woodward, Treasury Manager, North Dallas County Water Supply Corporation, 13000 William Dodson Parkway, Farmers Branch, Texas.

Public Safety Dispatch Center Agreement

The North Texas Emergency Communications Center, Inc. (NTECC) is a joint venture between the Town of Addison, City of Carrollton, City of Coppell, and City of Farmers Branch (the "Cities") formed during fiscal year 2015 to establish and operate a joint public safety dispatch center. The affairs of the NTECC are managed by a four-person board of directors representing each of the four participating Cities.

The Cities are responsible for funding capital and operating costs of the NTECC in the proportions stated in the inter-local agreement. The Town financed its portion of construction funds with proceeds from Combination Tax and Revenue Certificates of Obligation, Series 2012. The Town of Addison's equity interest (currently 16.5%) in the NTECC is reported as investment in joint venture in the governmental activities on the government-wide Statement of Net Position at $1,802,048, and is included in Unrestricted Net Position. The joint venture provides annual audited financial statements. The mot recent audit report available is for the fiscal year ended September 30, 2024. Complete financial statements for the NTECC can be obtained from Mark Carriere, Accounting Administrator, North Texas Emergency Communications Center, 1649 W. Frankford Rd #150, Carrollton, Texas.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Debt

The long-term debt of the Town consisted of the following as of September 30, 2024:

	Governmental Actvities	Business-type Activities
General Obligation Bonds, Tax-Exempt Series 2014		
A series of 2,400 bonds at $5,000 each dated February 15, 2014. The bonds were issued to provide funds for: (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor; relocating utilities currently located in or adjacent to the Belt Line Road right-of-way and acquiring, constructing, and developing Belt Line Road roadway and streetscape improvements and the acquisition of land therefor; and (iii) for the payment of the costs of issuing the Tax-Exempt Bonds. The bonds mature serially through 2034 with interest rates ranging from 3% to 3.625%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	$ 7,525,000	$ -
Certificates of Obligation Series 2014		
A series of 1,513 bonds at $5,000 each dated February 15, 2014. The Certificates were issued for (i) designing, constructing, installing, acquiring and equipping additions, extensions and improvements to the Town's water and wastewater system, and the acquisition of land and interests in land for such projects, (the "Project") and (ii) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates. The bonds mature serially through 2034 with interest rates ranging from 1% to 4%. The bonds are callable at par plus accrued interest on or after February 15, 2024 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	$ -	$ 4,615,000
General Obligation Refunding Bonds Series 2016		
A series of 4,712 bonds at $5,000 each dated May 13, 2016. The bonds were issued to refund a portion of the Town's outstanding debt for debt service savings and to pay the costs associated with the issuance of the bonds. The bonds mature serially through 2033 with interest rates ranging from 3% to 5%. The bonds are callable at par plus accrued interest on or after February 15, 2026 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aa1"; Standard & Poor's "AAA"	$ 11,585,000	$ 3,585,000

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
Combination Tax and Revenue Certificates of Obligation Series 2018		
A series of 2,623 bonds at $5,000 each dated December 11, 2018. The bonds were issued for the purpose of (i) designing, constructing, installing, acquiring and equipping additions, extensions and improvements to the Town's water and wastewater system, and the acquisition of land and interests in land for such projects, (ii) designing, acquiring, improving, constructing, and renovating facilities and infrastructure at the Addison Municipal Airport related to constructing and equipping a new customs and airport administration facility, and (iii) to pay for professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the certificates. The bonds mature serially through 2039 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 in whole or in part in principal amounts of $5,000. Bonds and interest are payable from a combination of Ad Valorem taxes and a limited pledge (not to exceed $1,000) of surplus net revenues of the Town's Utility Fund.	$ -	$ 10,900,000
Ratings: Moody's "Aaa"; Standard & Poor's "AAA		
Combination Tax and Revenue Certificates of Obligation Series 2019		
A series of 3,380 bonds at $5,000 each dated September 10, 2019. The bonds were issued for the purpose of (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor, (ii) improvements to a groundwater well to supply water to the Town's Vitruvian Park, and (iii) to pay for professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the certificates. The bonds mature serially through 2039 with interest rates ranging from 3% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2028 in whole or in part in principal amounts of $5,000.	$ 13,615,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Bonds **Series 2020** A series of 2,727 bonds at $5,000 each dated August 11, 2020. The bonds were issued for the purpose of (i) constructing and improving Keller Springs Road and Airport Parkway, including sidewalks, bridges, landscaping, streetlighting, right-of-way protection, and related storm drainage improvements and aquiring rights-of-way in connection therewith, (ii) acquiring, developing, renovating and improving parks, park facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisitio of land therefor, (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventalation equipment and systems, facade improvements, and improvements required by the Americans with Disabilites Act and other applicable laws, (iv) improving, aquiring and equipping advanced traffic control systems and facilities, and (v) paying of the costs of issuance of the Bonds. The bonds mature serially through 2040 with interest rates ranging from 2% to 5%. The bonds are callable at par value plus accrued interest on or after August 15, 2029 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"	$ 11,495,000	$ -
General Obligation Refunding Bonds **Taxable Series 2020** A series of 2,641 bonds at $5,000 each dated August 11, 2020. The bonds were issued for the purpose of (i) refund the Refunded Bonds, and (ii) pay of the costs of issuance of the Bonds. The bonds mature serially through 2032 with interest rates ranging from 0.2% to 2%. The bonds are callable at par value plus accrued interest on or after August 15, 2029 in whole or in part in principal amounts of $5,000. Ratings: Moody's "Aaa"; Standard & Poor's "AAA"	$ 10,265,000	$ -

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Bonds **Series 2021**		
A series of 2,970 bonds at $5,000 each dated August 1, 2021. The bonds were issued for the purpose of (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, intersections, grade separations, sidewalks, and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting and the acquisition of land therefor, (ii) acquiring, developing, renovating and improving parks, park facilities, recreation facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor, (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventalation equipment and systems, facade improvements, and improvements required by the Americans with Disabilites Act and other applicable laws, (iv) improving, aquiring and equipping advanced traffic control systems and facilities, and (v) paying of the costs of issuance of the Bonds. The bonds mature serially through 2041 with interest rates ranging from 2% to 5%. The bonds are callable at par value plus accrued interest on or after August 15, 2030 in whole or in part in principal amounts of $5,000.	$ 13,245,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
General Obligation Refunding Bonds **Taxable Series 2021**		
A series of 2,192 bonds at $5,000 each dated August 1, 2021. The bonds were issued for the purpose of (i) to refund certain outstanding ad valorem tax obligations of the Town as described in Schedule I - Schedule of Refunding Obligations for debt service savings, and (ii) for payment of the costs of issuance of the Taxable Bonds. The bonds mature serially through 2033 with interest rates ranging from 1.15% to 3%. The bonds are callable at par value plus accrued interest on or after August 15, 2030 in whole or in part in principal amounts of $5,000.	$ 3,760,000	$ 5,800,000
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
General Obligation Refunding Bonds Series 2022		
A series of 1,734 bonds at $5,000 each dated January 1, 2022. The bonds were issued for the purpose of (i) to refund certain outstanding ad valorem tax obligations of the Town as described in Schedule I – Schedule of Refunded Obligations for debt service savings, and (ii) to pay the costs of issuance of the Bonds. The bonds mature serially through 2037 with interest rates ranging from 2% to 4%. The bonds are callable at par value plus accrued interest on or after February 15, 2031 in whole or in part in principal amounts of $5,000.	$ 7,185,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
General Obligation Bonds Series 2022		
A series of 2,028 bonds at $5,000 each dated August 1, 2022. The bonds were issued for the purpose of (i) engineering, constructing, reconstructing, improving, repairing, developing, extending and expanding streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the Town, including related streetscape improvements, public utility improvements, storm drainage facilities and improvements, signalization and other traffic controls, street lighting, and the acquisition of land therefor, (ii) acquiring, developing, renovating and improving parks, park facilities, recreation facilities, including the Addison Athletic Club, and open spaces for park and recreation purposes in and for the Town, including the acquisition of land therefor; (iii) renovating, repairing, improving, and equipping existing Town service, public safety, conference and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, façade improvements, and improvements required by the Americans with Disabilities Act and other applicable laws and (iv) paying the costs of issuing the Bonds. The bonds mature serially through 2042 with interest rates ranging from 3% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2032 in whole or in part in principal amounts of $5,000.	$ 9,425,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
Combination Tax and Revenue Certificates of Obligation Series 2022		
A series of 2,499 bonds at $5,000 each dated August 1, 2022. The bonds were issued for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor; (ii) designing, developing, constructing, and improving Town water and sewer system improvements and facilities; and (vi) professional services incurred in connection with items (i) and (ii), and to pay the costs incurred in connection with the issuance of the Certificates. The bonds mature serially through 2042 with interest rates ranging from 3.5% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2032 in whole or in part in principal amounts of $5,000.	$ 8,970,000	$ 2,685,000
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
General Obligation Bonds Series 2023		
A series of 973 bonds at $5,000 each dated August 1, 2023. The bonds were issued for the purpose of (i) designing, developing, constructing and improving Quorum Drive from the DART Rail line to Dallas North Tollway and Montfort Drive from Beltline Road to the Addison city limits, including sidewalks, bridges, landscaping, streetlighting, right-of-way protection and related storm drainage improvements; and acquiring rights-of-way in connection therewith and (ii) paying the costs of issuing the Bonds. The bonds mature serially through 2043 with interest rates ranging from 4% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2033 in whole or in part in principal amounts of $5,000. These bonds were issued with a $198,619 premium.	$ 4,705,000	$ -
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

	Governmental Activities	Business-type Activities
Combination Tax and Revenue Certificates of Obligation Series 2023		
A series of 871 bonds at $5,000 each dated August 1, 2023. The bonds were issued for the purpose of (i) designing, engineering, developing, constructing, improving and repairing, extending and expanding streets, thoroughfares and bridges, including streetscaping, related storm drainage improvements, signalization and other traffic controls, sidewalks, street lights and the acquisition of any right of way therefor, including roadway improvements at the City's airport; (ii) professional services incurred in connection with item (ii) and to pay the costs incurred in connection with the issuance of the Certificates. The bonds mature serially through 2043 with interest rates ranging from 4% to 5%. The bonds are callable at par value plus accrued interest on or after February 15, 2033 in whole or in part in principal amounts of $5,000. These bonds were issued with a $206,604 premium.	$ 1,870,000	$ 2,340,000
Ratings: Moody's "Aaa"; Standard & Poor's "AAA"		
TOTAL LONG-TERM DEBT OUTSTANDING	$ 103,645,000	$ 29,925,000

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

A summary of long-term liability activity for the year ended September 30, 2024 was as follows (**in thousands of dollars**):

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 84,955	$ -	$ (5,765)	$ 79,190	$ 5,940
Premium on General Obligation Bonds	4,909	-	(663)	4,246	-
Discount on General Obligation Bonds	(6)	-	1	(5)	-
Certificates of Obligation	25,530	-	(1,075)	24,455	1,110
Premium on Certificates of Obligation	1,317	-	(142)	1,175	-
Discount on Certificates of Obligation	-	-	-	-	-
Leases	359	-	(73)	286	70
Subscriptions	353	535	(197)	691	180
Net Pension Liability	24,190	14,493	(20,724)	17,959	-
Compensated Absences	1,030	1,102	(937)	1,195	956
Net OPEB Liability	2,295	266	(1,366)	1,195	-
Total OPEB Liability	817	108	(24)	901	21
Long-term Arbitrage Liability	-	312	-	312	-
Long-Term Liabilities – Governmental Activities	$ 145,749	$ 16,816	$ (30,965)	$ 131,600	$ 8,277
Business-type Activities:					
General Obligation Refunding Bonds (Payable from airport, storm water, and utility revenues)	$ 10,350	$ -	$ (965)	$ 9,385	$ 990
Premium on General Obligation Refunding Bonds	379	-	(76)	303	-
Discount on General Obligation Refunding Bonds	(7)	-	1	(6)	-
Combination Tax and Revenue Certificates of Obligation (Payable from airport revenues)	8,440	-	(355)	8,085	365
Premium on Combination Tax and Revenue C.O.	278	-	(29)	249	-
Combination Tax and Revenue Certificates of Obligation (Payable from utility system revenues)	13,170	-	(715)	12,455	740
Premium on Combination Tax and Revenue C.O.	294	-	(31)	263	-
Combination Tax and Revenue Certificates of Obligation (Payable from storm water system revenues)	-	-	-	-	-
Net Pension Liability	4,495	2,694	(3,852)	3,337	-
Compensated Absences	219	200	(245)	174	173
Net OPEB Liability	507	59	(302)	264	-
Total OPEB Liability	180	24	(5)	199	5
Long-Term Liabilities – Business-type Activities	$ 38,305	$ 2,977	$ (6,574)	$ 34,708	$ 2,273

The Town intends to retire all of its general obligation bonds (other than those recorded in the enterprise funds), plus interest, from future Ad Valorem tax levies, interest income, and transfers from other funds. The Town is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. There is $726,946 available in the General Obligation Debt Service Fund to service the general obligation bonds.

Proprietary fund-type debt is to be repaid from net revenues of the enterprise funds and is, accordingly, recorded as enterprise fund debt.

Bonded debt is direct obligations and pledge the full faith and credit of the government for both governmental and business-type activities. There are a number of limitations and restrictions contained in the various general obligations, certificates of obligation, and revenue bond indentures. The Town is in compliance with all significant limitations and restrictions at September 30, 2024.

For the governmental activities, compensated absences are generally liquidated in the General Fund, Economic Development Fund and Hotel Fund. Also for governmental activities, the net pension liability and net and total OPEB liability are generally liquidated from the General Fund.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The debt service requirements on the aforementioned bonded debt are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
General Obligation Bonds:				
2025	$ 5,940,000	$ 2,458,398	$ 990,000	$ 243,705
2026	6,140,000	2,273,298	1,020,000	219,955
2027	6,335,000	2,072,067	1,050,000	193,205
2028	6,100,000	1,854,874	1,070,000	164,933
2029	5,975,000	1,634,928	995,000	137,045
2030-2034	28,300,000	5,001,413	4,260,000	256,720
2035-2039	14,300,000	1,832,519	-	-
2040-2043	6,100,000	275,044	-	-
	$ 79,190,000	$ 17,402,541	$ 9,385,000	$ 1,215,563
Certificates of Obligation:				
2025	$ 1,110,000	$ 851,881	$ 1,105,000	$ 772,463
2026	1,160,000	804,131	1,145,000	732,763
2027	1,210,000	756,381	1,190,000	687,978
2028	1,250,000	710,631	1,245,000	637,656
2029	1,300,000	663,131	1,315,000	581,075
2030-2034	7,295,000	2,539,131	7,410,000	2,034,991
2035-2039	8,635,000	1,180,869	5,880,000	778,297
2040-2043	2,495,000	154,184	1,250,000	87,297
	$ 24,455,000	$ 7,660,340	$ 20,540,000	$ 6,312,519

At September 30, 2024, the Town had $49,872,000 authorized but unissued general obligation bonds.

G. Interfund Receivables, Payables, and Transfers

The loan between the Capital Project Fund and the Airport Fund, which had previously been reported as internal balances in prior years, was fully paid off during the fiscal year ended September 30, 2024. As a result, there are no longer any interfund receivables or payables as of September 30, 2024.

Transfers between funds during the year ended September 30, 2024 were comprised of the following:

Fund	Transfers In	Transfers Out	Purpose of Transfer
General Fund	$ -	$ 4,500,000	For capital projects
Capital Project Fund	4,500,000	-	For capital projects
Airport Fund	-	469,344	To fund airport debt service
Debt Service Fund	469,344	-	To fund airport debt service
Stormwater Fund	-	406,196	To fund stormwater debt service
Debt Service Fund	406,196	-	To fund stormwater debt service
Total Transfers	$ 5,375,540	$ 5,375,540	

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Leases

(1) Lease Receivable
During the current fiscal year, the Town of Addison had no leases as a lessor that were not one of the following: short-term, immaterial, or regulated. Regulated leases and short-term leases are discussed later in this note.

(2) Lease Payable
The measurement of the lease payable is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. During the current fiscal year, the Town of Addison had four leases where the Town was the lessee, and they are described below.

Remote Capture Equipment Lease

As part of the Town of Addison's depository contract entered into in 2019, the Town leases six remote capture check scanners for a term of three years with three, one-year renewal options that will be exercised. An initial lease liability was recorded in the amount of $22,727 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of $660. There are also variable monthly costs of $.09 per check deposited, $.80 per credit posted, and $.12 per deposit for reporting. For the fiscal year ending September 30, 2024 the Town paid $776 for variable costs. The lease has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 3.07%. The equipment had an estimated useful life of 3 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was $0, net of accumulated amortization of $22,727 before the asset was disposed due to the lease ending September 30, 2024.

Chlorine Generators Equipment Lease

The Town entered into a lease agreement for two chlorine generators in 2020 for a term of five years plus 4, one-year renewal options that will be exercised. An initial lease liability was recorded in the amount of $172,257 as of October 1, 2021. The Town is required to make fixed monthly principal and interest payments of $2,048. The lease has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 3.07%. The equipment had an estimated useful life of 8 years remaining as of October 1, 2021. The value of the lease asset as of the end of the current fiscal year was $107,097 net of accumulated amortization of $64,260.

Office Space Lease #1

The Town entered into a lease agreement for building office space in February 2023 for a term of five years. An initial lease liability was recorded in the amount of $122,950 as of February 1, 2023. The Town is required to make fixed monthly principal and interest payments of $2,182 starting in year one, and each year the payments increase by set amounts. The lease has no stated interest rate, so the Town is using a long-term incremental borrowing rate of 4.254%. The building has an estimated useful life of 5 years. The value of the lease asset as of the end of the current fiscal year was $81,967, net of accumulated amortization of $40,983.

Office Space Lease #2

The Town entered into a lease agreement for building office space in February 2023 for a term of five years. An initial lease liability was recorded in the amount of $113,522 as of February 1, 2023. The Town is required to make fixed monthly principal and interest payments of $2,167 starting in year one, and each year the payments increase by set amounts. The lease has no stated interest rate, so the Town is using a long-term incremental borrowing rate of 4.254%. The building has an estimated useful life of 5 years. The value of the lease asset as of the end of the current fiscal year was $75,681, net of accumulated amortization of $37,841.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The future principal and interest lease payments for leases payable as of September 30, 2024 were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 69,770	$ 9,636	$ 79,406
2026	74,197	6,840	$ 81,037
2027	78,861	38,860	$ 117,721
2028	42,961	1,187	$ 44,148
2029	20,195	285	$ 20,480
Totals	$ 285,984	$ 56,808	$ 342,792

(3) GASB No. 87 Excluded Leases - Regulated
In accordance with GASB No. 87, the Town does not recognize a lease receivable and a deferred inflow of resources for regulated leases in which the Town is the lessor. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, between airports and air carries and other aeronautical users. The Town has the following regulated leases:

T and Patio Hangar Leases

These leases are aircraft storage rental agreements for T hangars, patio hangars, and the T hangar end-cap storage units. These leases allow the tenants the use of that portion of the hangar and ramp. Hangar usage is restricted to aviation use only and regulated by the FAA. These leases typically have a standard one-year term that fall to month-to-month with a 30 day termination notice. However, the Town had ten leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2024 was $89,604.

Jet Hangar Leases

These leases are conventional hangar leases for commercial aviation use for larger aircrafts. The leases allow the tenants use of the hangar, ramp, and a parking area. Hangar usage is restricted to aviation use only and regulated by the FAA. The terms of these leases vary depending on the tenants' need and the airport's plan for the hangar's redevelopment. The leases typically have a CPI adjustment each year. The Town had seven leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2024 was $795,359.

Fuel Tank License Agreements

These aviation bulk fuel dispensing license agreements allow the license holders to take delivery and to store fuel in their designated fuel tanks owned by the Town. The license holder is responsible for maintaining a specific portion of the facilities, such as down-stream hoses, and the airport must maintain all other improvements. The tank rental fees consist of a base fee and an additional fee. The base fee has specific rent step increases stipulated in the agreements. The additional fee is assessed annually by the Town and consists of common area maintenance such as utilities and a replacement recovery allowance for the fuel tanks and related equipment. The Town had 16 leases during the year that had terms exceeding one year. The revenue recognized for these leases during the fiscal year ended September 30, 2024 was $196,842.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

The fuel tank license agreements also call for a fuel flowage variable fee that is $0.14 per gallon for public fixed base operations, which are fuel tank licensees that store their aircrafts and equipment at the Airport, and $0.22 for non-public operators' equipment and aircrafts that are not based at the airport. These rates can be changed by City Council, and licensees are given at least 30 days written notice of rate changes. The fuel flowage fees received during the fiscal year ended September 30, 2024 was $1,166,081.

The future principal and interest lease receipts for regulated leases as of September 30, 2024 were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 702,148	$ 178,962	$ 881,110
2026	373,949	157,837	531,786
2027	360,919	144,467	505,386
2028	348,281	131,197	479,478
2029	356,085	118,211	474,296
2030-2034	1,759,877	389,050	2,148,927
2035-2039	942,766	108,659	1,051,425
2040-2044	168,218	38,743	206,961
2045-2049	120,410	7,216	127,626
Totals	$ 5,132,653	$ 1,274,342	$ 6,406,995

(4) GASB No. 87 Excluded Leases - Short-Term
Pursuant to GASB No. 87, the Town does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that, at the commencement of the lease term, have a maximum possible term under the lease contract of 12 months or less.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Public-Private Partnerships

During the fiscal year ended September 30, 2024, the Town of Addison, as transferor, had thirty-one agreements that met the criteria for a public-private partnership (PPP) under GASB No. 94. Under these agreements, the operators are required to improve or construct capital assets. These assets will revert to the Town at varying dates from 2025 to 2073. The assets are estimated to have a carrying value of $4,265,000 at the date of their reversions, which is included in the public-private partnerships receivable. One group of assets with an estimated acquisition value of $23,317,324 reverted to the Town during the current fiscal year.

Each agreement requires monthly fixed payments ranging from $360 per month to $59,325 per month. Two of the agreements had set price increases at certain dates, and the other agreements have biennial Consumer Price Index (CPI) adjustments. The amount of the CPI adjustments for the year ended September 30, 2024 was $53,662. The Town was unable to obtain borrowing rates from any of the operators, so the Town used the Town's incremental borrowing rate of 4.254% for each agreement.

The agreements all require that the operators construct or improve assets and contribute them to the Town at a specified date. The Town recognized a receivable and a corresponding deferred inflow of resources for these assets as of implementation date October 1, 2022 of $18,965,000. The deferred inflow is being amortized over the length of each assets' time before reversion. The amortization of this deferred inflow for the fiscal year ended September 30, 2024 resulted in a recognition of $2,433,506 in Public-Private Partnership Revenue.

The following is a schedule by year of minimum payments to be received under the Town's public-private partnerships that are included in the measurement of the public-private partnerships receivable as of September 30, 2024:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 833,847	$ 2,102,978	$ 2,936,825
2026	895,736	2,066,146	2,961,882
2027	934,533	2,027,349	2,961,882
2028	975,012	1,986,870	2,961,882
2029	983,266	1,945,239	2,928,505
2030-2034	5,092,323	9,088,078	14,180,401
2035-2039	5,365,920	7,967,797	13,333,717
2040-2044	6,310,816	6,754,899	13,065,715
2045-2049	6,874,990	5,354,056	12,229,046
2050-2054	7,619,618	3,784,947	11,404,565
2055-2059	8,179,917	2,133,625	10,313,542
2060-2064	4,747,679	545,460	5,293,139
2065-2069	575,020	154,519	729,539
2070-2074	450,374	36,834	487,208
Totals	$ 49,839,051	$ 45,948,797	$ 95,787,848

Pulic-Private partnership receivables at September 30, 2024 per the statement of net position include installment payments of $49,839,051 and underlying assets of $4,265,000, for a total of $54,104,051.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Subscription-Based Information Technology Arrangements (SBITAs)

The measurement of the SBITA liability is based on the present value of SBITA payments expected to be paid during the SBITA term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any incentives payable. During the current fiscal year, the Town of Addison had the following SBITA described below.

Public Safety Software Subscription

The Town entered into a contract for the purchase of various public safety equipment with a related software subscription for a term of ten years starting in October 2021, with an initial five year term and an automatic five year extension. An initial subscription liability was recorded in the amount of $412,005 as of October 1, 2022. The Town is required to make fixed biannual principal and interest payments ranging from $9,805 to $50,099. There are also fixed biannual costs for equipment maintenance, supplies and other services ranging from $2,769 to $22,894. For the fiscal year ended September 30, 2024 the Town paid $41,884 for non-subscription costs. The subscription agreement has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 2.7%. The equipment had an estimated useful life of 9 years remaining as of October 1, 2022. The value of the subscription asset as of the end of the current fiscal year was $320,448, net of accumulated amortization of $91,556.

Vendor Software Subscription

The Town entered into a contract for a vendor self-service and validation software subscription for a term of five years starting in March 2024. An initial subscription liability was recorded in the amount of $116,116 as of March 2024. The Town is required to make fixed annual principal and interest payments of $24,500. There was also an initial implementation fee of $9,800. The subscription agreement has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 2.75%. The equipment had an estimated useful life of 5 years as of March 2024. The value of the subscription asset as of the end of the current fiscal year was $111,226, net of accumulated amortization of $14,690.

Strategic Planning Software Subscription

The Town entered into a contract for a strategic planning software subscription for a term of five years starting in October 2023, with an initial term of three years with an option to extend for an additional two years. An initial subscription liability was recorded in the amount of $106,637 as of October 2023. The Town is required to make fixed annual principal and interest payments of $22,500. There was also an initial implementation fee of $5,000. The subscription agreement has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 2.75%. The equipment had an estimated useful life of 5 years as of October 2023. The value of the subscription asset as of the end of the current fiscal year was $89,310, net of accumulated amortization of $22,327.

Task and Deadline Management Software Subscription

The Town entered into a contract for a task and deadline management software subscription for a term of four years starting in October 2023, with an initial term of three years with an automatic extension of an additional one year. An initial subscription liability was recorded in the amount of $58,759 as of October 2023. The Town is required to make fixed annual principal and interest payments of $15,293. The subscription agreement has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 2.75%. The equipment had an estimated useful life of 4 years as of October 2023. The value of the subscription asset as of the end of the current fiscal year was $44,070, net of accumulated amortization of $14,690.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

New Hire Onboarding Software Subscription

The Town entered into a contract for a new hire onboarding software subscription for a term of two years and 6 months starting in April 2024. An initial subscription liability was recorded in the amount of $36,984 as of April 2024. The Town is required to make fixed annual principal and interest payments ranging from $7,009 to $17,398, and there was an initial implementation cost of $23,202. The subscription agreement has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 2.75%. The equipment had an estimated useful life of 3 years as of April 2024. The value of the subscription asset as of the end of the current fiscal year was $48,537, net of accumulated amortization of $11,649.

Office Software Subscription

The Town entered into a contract for an office software subscription for a term of three years starting in March 2024. An initial subscription liability was recorded in the amount of $215,984 as of March 2024. The Town is required to make fixed annual principal and interest payments of $73,956. The subscription agreement has no stated interest rate, so the Town is using a short-term incremental borrowing rate of 2.75%. The equipment had an estimated useful life of 3 years as of March 2024. The value of the subscription asset as of the end of the current fiscal year was $173,987, net of accumulated amortization of $41,997.

The future principal and interest subscription payments for the subscriptions liability as of September 30, 2024 were as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 179,559	$ 16,046	$ 195,605
2026	186,975	11,044	198,019
2027	100,956	6,653	107,609
2028	88,427	4,229	92,656
2029	43,845	2,678	46,523
2030-2034	91,298	1,707	93,005
Totals	$ 691,060	$ 42,357	$ 733,417

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the Town maintained workers compensation, general liability and property coverage through the Texas Municipal League Intergovernmental Risk Pool (TMLIRP). The Town pays an annual premium to TMLIRP for such coverage. TMLIRP purchases reinsurance and the Town does not retain risks of loss exceeding deductibles. The Town's general liability coverage is $5,000,000 and $10,000,000 in the aggregate. Settled claims have not exceeded insurance coverage in each of the past five years.

For the period of October 2023 to September 2024, the Town offered health benefits through one of two plans operated by Blue Cross Blue Shield. Employees were able to choose either an HSA (health savings account) plan or a PPO (preferred provider organization) plan. The Town also offers a dental plan through Delta Dental and a vision plan through Blue Cross Blue Shield of Texas Vision. The HSA, PPO, and dental plans are funded by joint contributions from the employees and the Town and are accounted for in the respective operating funds. The vision plan is solely from employee contributions.

Blue Cross and Delta Dental plans are fully insured contracts. Monthly premiums paid to Blue Cross and Delta Dental were based upon fixed employee and dependent rates that are established each year.

B. Employee's Retirement System

1) Pension Plan

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, Town specific information about its fiduciary net position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the Town's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's net pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27.*

Plan Description

The Town provides pension benefits for all of its full-time employees through a nontraditional, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of over 920 administered by TMRS, an agent multiple-employer public employee retirement system. Each of the municipalities has an annual individual actuarial valuation performed. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

TMRS issues a publicly available Annual Comprehensive Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. The report is also available on the System's web site at: http://www.tmrs.com/financial_reports.php.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

Benefits depend upon the sum of the employee's contributions to the plan and the Town-financed monetary credits, with interest. At the date the plan began, the Town granted monetary credits for services rendered before the plan began based on an amount equal to two times what would have been contributed by the employee plus interest. Monetary credits for service since the plan began are 200 percent of the employee's accumulated contributions. Beginning in 1994, the Town adopted an annually repeating type of monetary credit referred to as an updated service credit which when added to the employee's accumulated contributions and the monetary credits for service since the plan began would be the total monetary credits and employee contributions accumulated with interest, if the current employee contribution rate and Town matching percent had always been in existence. The calculation included a three-year exponential average of the actual salaries paid during the prior fiscal years.

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits plus interest were used to purchase an annuity. In 1994 the Town adopted annually repeating annuity increases for its retirees equal to 70% of the change in the consumer price index. The Town Discontinued the annual increases in January 2009 and began doing ad hoc increases through 2014, still at 70%. The Town did not adopt an ad hoc COLA after 2014. In fiscal year 2023, the Town adopted annually repeating annuity increases for its retirees equal to 30% of the change in the consumer price index. During the measurement year ended December 31, 2022, these COLA's were applied retroactively. However, after the measurement date of December 31, 2022, the Town elected to change these COLA's to be non-retroactive. This change resulted in a reduction of the net pension liability.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Members can retire at certain ages, based on the years of service with the Town. The service retirement eligibilities for the Town are: 5 years/age 60, 20 years/any age. Plan provisions for the Town are as follows:

Deposit Rate:	7%
Matching Ratio (Town to Employee):	2 to 1
A member is vested after:	5 years

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	273
Inactive employees entitled to but not yet receiving benefits	273
Active employees	303
Total	849

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for the Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Since the Town needs to know its contribution rates in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The Town elected to contribute at the full rates for calendar years 2023 of 16.39% and 2024 of 17.26%. Accordingly, contributions to TMRS for the year ended September 30, 2024 were $4,741,162 and were equal to the required contribution.

Net Pension Liability

The Town's Net Pension Liability was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year including inflation
Investment rate of return	6.75% net of pension plan investment expense including inflation

Salary increases were based on service-related tables. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries were based on the gender -distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income. In order to satisfy the short-term and long-term funding needs of TMRS.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Location	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

Single Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 10/1/2023	$ 169,078,831	$ 140,394,280	$ 28,684,551
Changes for the year:			
Service cost	4,548,329	-	4,548,329
Interest	11,170,825	-	11,170,825
Change in benefit terms including substantively automatic status	(1,423,556)	-	(1,423,556)
Difference between expected and actual experience	1,365,121	-	1,365,121
Change in assumptions	(708,771)	-	(708,771)
Contributions - employer	-	4,345,761	(4,345,761)
Contributions - employee	-	1,890,636	(1,890,636)
Net investment income	-	16,207,573	(16,207,573)
Benefit payments, including refunds of employee contributions	(8,871,484)	(8,871,484)	-
Administrative expense	-	(103,373)	103,373
Other	-	(721)	721
Net changes	6,080,464	13,468,392	(7,387,928)
Balance at 9/30/2024	$ 175,159,295	$ 153,862,672	$ 21,296,623

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Town's net pension liability	$ 44,427,228	$ 21,296,623	$ 2,198,647

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at *www.tmrs.com*.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2024, the Town recognized pension expense of $2,794,442. At September 30, 2024, the Town reported deferred outflows of resources related to pensions from the following sources:

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual economic experience	$ 1,602,389	$ -
Contributions subsequent to the measurement date	3,434,362	-
Change of assumptions	-	(518,242)
Difference between projected and actual investment earnings	3,929,007	-
Total	$ 8,965,758	$ (518,242)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but before the end of the Town's reporting period of $3,434,362 will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2025	$ 1,586,278
2026	1,644,710
2027	3,128,356
2028	(1,346,190)
Total	$ 5,013,154

Allocation of Pension Items

The City allocates pension items between governmental activities and business-type activities on the basis of employee payroll.

2) Deferred Compensation Plan

The Town offers all employees a deferred compensation plan through Mission Squared (Trustee) in accordance with Internal Revenue Code Section 457. The ICMA-RC 457 plan provides employees the option to supplement their TMRS retirement benefits by making pre-tax contributions to their plan. The Town matches 2.67% of employee contributions up to 4.0% of their base salaries. The 457 plan contribution maximums for 2024 are $23,000 for individuals under 50, $30,500 for age 50 catch-up, and $46,000 for the regular catch-up provision. Employees may enroll in the plan and/or change their contribution amounts at any time. The total amount contributed by the Town for fiscal year 2024 was $691,173.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

3) Other Postemployment Benefits

A summary of OPEB related items as of and for the year ended September 30, 2024, is presented below.

Plan	Net/Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Care Plan				
Governmental Activities	$ 1,194,990	$ 353,683	$ (1,359,914)	$ 65,966
Business-Type Activities	263,916	78,111	(300,339)	14,569
Net OPEB Liability	1,458,906	431,794	(1,660,253)	80,535
Supplemental Death Benefits				
Governmental Activities	900,771	131,870	(281,428)	38,204
Business-Type Activities	198,938	29,123	(62,153)	8,438
Total OPEB Liability	1,099,709	160,993	(343,581)	46,642
Total	$ 2,558,615	$ 592,787	$ (2,003,834)	$ 127,177

Retiree Health Care Plan Description

In addition to the pension benefits described above, as required by state law and defined by Town Policy, the Town makes available health care benefits to all employees who retire from the Town and who are receiving benefits from a Town-sponsored retirement program (Texas Municipal Retirement System and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance, or until age 65 if eligible for Medicare, to eligible retirees, their spouses and dependents through the Town's group health insurance plan, which covers both active and retired members. For the calendar year 2023, the Town created and funded a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. and the plan's related fiduciary net position is reflected in the December 31, 2023 measurement of the net OPEB liability. The trust activity is also reported in the Town's financial statements for the fiscal year ended September 30, 2024.

Benefits Provided

Current retirees in the health plan and active employees with 20 years or more of service or at age 60 or more with five years or more of service at retirement are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants. Benefit provisions for retirees are not mandated by any form of employment agreement. The continued provision of these benefits is based entirely on the discretion of the Town of Addison City Council.

A measurement date of December 31, 2023 was used for the fiscal year ended September 30, 2024. The information that follows was determined as of a valuation date of December 31, 2022.

Employees covered by benefit terms

At the December 31, 2022 valuation, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	53
Active Members	286
Total	339

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

Contributions

Before age 65, the Town will pay a $150 monthly stipend toward the retiree's healthcare premium if the retiring employee meets the eligibility criteria at the time of termination and elects coverage in the health plan. For members who retire after 65 or were eligible for the $150 stipend before age 65, the Town will pay a $75 monthly stipend directly to the retiree. Current retirees contribute to the health plan the total blended premium for active and retired participants, less the $150 stipend provided by the Town.

Retirees receiving medical benefits during fiscal year 2024 contributed $420 to $2,133 per month depending on coverage levels selected. In fiscal year 2024, total retiree contributions were $207,518. For the fiscal year ended September 30, 2024, the Town's contributions to the plan were $858,815, which consisted of $620,000 in contributions to the trust and $238,815 in benefit payments.

Net/Total OPEB Liability for Retiree Health Care Plan

The Town of Addison utilized the actuarial services of Gabriel, Roeder, Smith & Company (GRS), a company who has been providing actuarial consulting services since 1938, under the shared services arrangement provided by GRS and North Central Texas Council of Governments. The Town's net/total OPEB liability for healthcare benefits of $1,458,906 was measured as of December 31, 2023.

Actuarial assumptions

The Town's net/total OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	3.60% to 11.85%, including inflation
Discount rate	6.50% (4.05% in prior year)
Healthcare cost trend rates	7.0% for 2024, declining to 4.25% after 15 years
Participation rates	50% of employees who retire before age 65 and 90% of employees who retire at age 65 or older (same in prior year)

The discount rate is the expected rate of return on OPEB plan investments. The municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"), and the resulting Single Discount Rate is 6.50%

Mortality rates were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables and projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 tables to account for future mortality improvements.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

Changes in the Net OPEB Liability for Retiree Health Care Plan

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of 10/1/23	$ 2,801,558	$ -	$ 2,801,558
Changes for the year:			
Service cost	167,694	-	167,694
Interest on OPEB Liability	112,023	-	112,023
Effect of difference in expected & actual experience	45,040	-	45,040
Effect of changes of assumptions	(742,694)	-	(742,694)
Employer contributions	-	858,815	(858,815)
Net investment income	-	65,900	(65,900)
Benefit payments	(238,815)	(238,815)	-
Change in net OPEB Liability	(656,752)	685,900	(1,342,652)
Balance as of 9/30/24	$ 2,144,806	$ 685,900	$ 1,458,906

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the plan's net OPEB liability of the Town, calculated using a discount rate of 6.50% as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net OPEB liability	$ 1,661,831	$ 1,458,906	$ 1,280,326

Sensitivity of Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the plan's net OPEB liability of the Town, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Net OPEB liability	$ 1,298,612	$ 1,458,906	$ 1,648,460

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2024, the Town recognized OPEB expense of $80,535. At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the net OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	$ 46,866	$ (494,983)
Change of assumptions	246,636	(1,128,670)
Difference between projected & actual investment experience	-	(36,600)
Benefit payments made subsequent to measurement date	138,292	-
Total	$ 431,794	$ (1,660,253)

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date but before the end of the Town's reporting period of $138,292 will be recognized as a decrease to the net OPEB liability during the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the net OPEB liability will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2025	$ (179,032)
2026	(179,032)
2027	(187,977)
2028	(184,228)
2029	(182,723)
Thereafter	(453,759)
Total	$ (1,366,751)

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

Supplemental Death Benefits Fund Description

Texas Municipal Retirement System ("TMRS") administers an agent multiple-employer defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

A measurement date of December 31, 2023 was used for the fiscal year ended September 30, 2024. The information that follows was determined as of a valuation date of December 31, 2023.

Employees covered by benefit terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	195
Inactive employees entitled to but not yet receiving benefits	71
Active employees	303
Total	569

Contributions

Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contribution for retirees. The Town's Supplemental Death Benefit Plan contributions for 2024 were $29,710.

Total OPEB Liability for Supplemental Death Benefits

The Town's total OPEB liability for supplemental death benefits of $1,099,709 was measured as of December 31, 2023.

Actuarial assumptions

The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50% per year
Salary increases	3.60% to 11.85%, including inflation
Discount rate	3.77% (4.05% in prior year)

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

For plans that do not have a formal trust that meets the GASB's requirements, the discount rate is equal to the tax-exempt municipal bond rate based on a 20-year general obligation AA bond rating as of the measurement date. The rate of 3.77 percent is based on the daily rate closest to but not later than the measurement date using the Fidelity 20-Year Municipal G.O. AA Index.

Mortality rates were based on the 2019 Municipal Retirees of Texas Mortality Tables and projected on a fully generational basis with scale MP-2021.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Changes in the Total OPEB Liability for supplemental death benefits

	Total OPEB Liability
Balance as of 10/1/23	$ 997,488
Changes for the year:	
Service cost	32,411
Interest on OPEB Liability	40,453
Effect of difference in expected & actual experience	3,489
Effect of changes in assumptions or other inputs	55,578
Benefit payments	(29,710)
Change in Total OPEB Liability	102,221
Balance as of 9/30/24	$ 1,099,709

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability of the Town, calculated using a discount rate of 3.77% as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

	1% Decrease 2.77%	Current Discount Rate 3.77%	1% Increase 4.77%
Total OPEB liability	$ 1,309,870	$ 1,099,709	$ 935,251

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2024, the Town recognized OPEB expense of $46,642. At September 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,289	$ (12,688)
Change of assumptions	156,704	(330,893)
Total	$ 160,993	$ (343,581)

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMATION (CONTINUED)

Deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	Net deferred outflows (inflows) of resources
2025	$ (11,556)
2026	(44,486)
2027	(72,186)
2028	(59,723)
2029	5,363
Total	$ (182,588)

C. Contingencies

The Town is party to various legal actions arising in the ordinary course of business, none of which is believed by the Town's management to have a material impact on the financial condition of the Town. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

The Town of Addison has a $5,000,000 loan from the North Central Texas Council of Governments (NCTCOG) for Addison's future contribution to Dallas Area Rapid Transit (DART) for the Cotton Belt, also known as the Silver Line. NCTCOG transferred the $5,000,000 to DART in 2019. The loan is to be repaid over 10 years at 1.8% interest, starting after the completion of the Cotton Belt. The Town of Addison is not responsible for any repayment of the loan unless and until the Cotton Belt is finished. If the Cotton Belt fails to materialize, the Town has no obligation to repay the loan. Completion is currently anticipated in late 2025 or early 2026.

D. Tax Incentive Rebates

The Town of Addison has two active Commercial Development and Job Related Incentive Rebates that develop or redevelop a particular property attracting businesses that generate incremental tax revenues. In addition to GASB 77, the agreements are subject to Chapter 380 of the Texas Local Government Code that promotes local economic development, commercial activity and business stimulation. City Council approves the agreements via resolution. As part of the agreements, the Town agrees to rebate a portion of the ad valorem or sales tax after confirmation of payment. If the businesses do not meet the obligations as set forth in the agreements in a particular year, the businesses forego the rebates in that year.

The agreement with one entity, executed September 27, 2022, provides a rebate for 50% of business personal property (ad valorem) tax for five years and a total amount of $6,069 for waiver of permit fees. The entity did not meet the eligibility criteria to receive the incentive in the year ended September 30, 2024, and the amount forgone was $12,293. Over the life of the contract, the entity has forgone $24,586.

The agreement with the another entity provides a rebate for 75% of sales tax over a threshold amount, of which the calculation is outlined in the contract. The Town paid $328,090 during the fiscal year ended September 30, 2024, and has paid $2,760,488 over the life of the contract. Also, the contract allows for the Town of Addison to commission an independent traffic study regarding an area specified in the contract, and if warranted, the Town will pay for capital expenses related to potential signalization or other needed improvements in the specified area.

A traffic study was completed in August 2023, and it was determined no additional traffic signal will be needed. Also, the contract requires a tree mitigation amount of $424,385 to be paid in five installments starting the 10th anniversary of the stabilization dates of certain businesses, which was in 2016.

NOTES TO FINANCIAL STATEMENTS
September 30, 2024

IV. OTHER INFORMTION (CONTINUED)

E. New Accounting Pronouncements

The Town has adopted and implemented the following statement during the fiscal year ended September 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62 – This statement improves the clarity and requirements for accounting changes and error corrections. The adoption had no effect on the Town's beginning net position at October 1, 2023.

The GASB has issued the following statements which will become effective in a future year.

GASB Statement No. 101, *Compensated Absences* – This statement addresses the recognition and measurement of compensated absences. This statement will be effective for the Town in fiscal year 2025. The Town will evaluate the potential impact on the Town's net position.

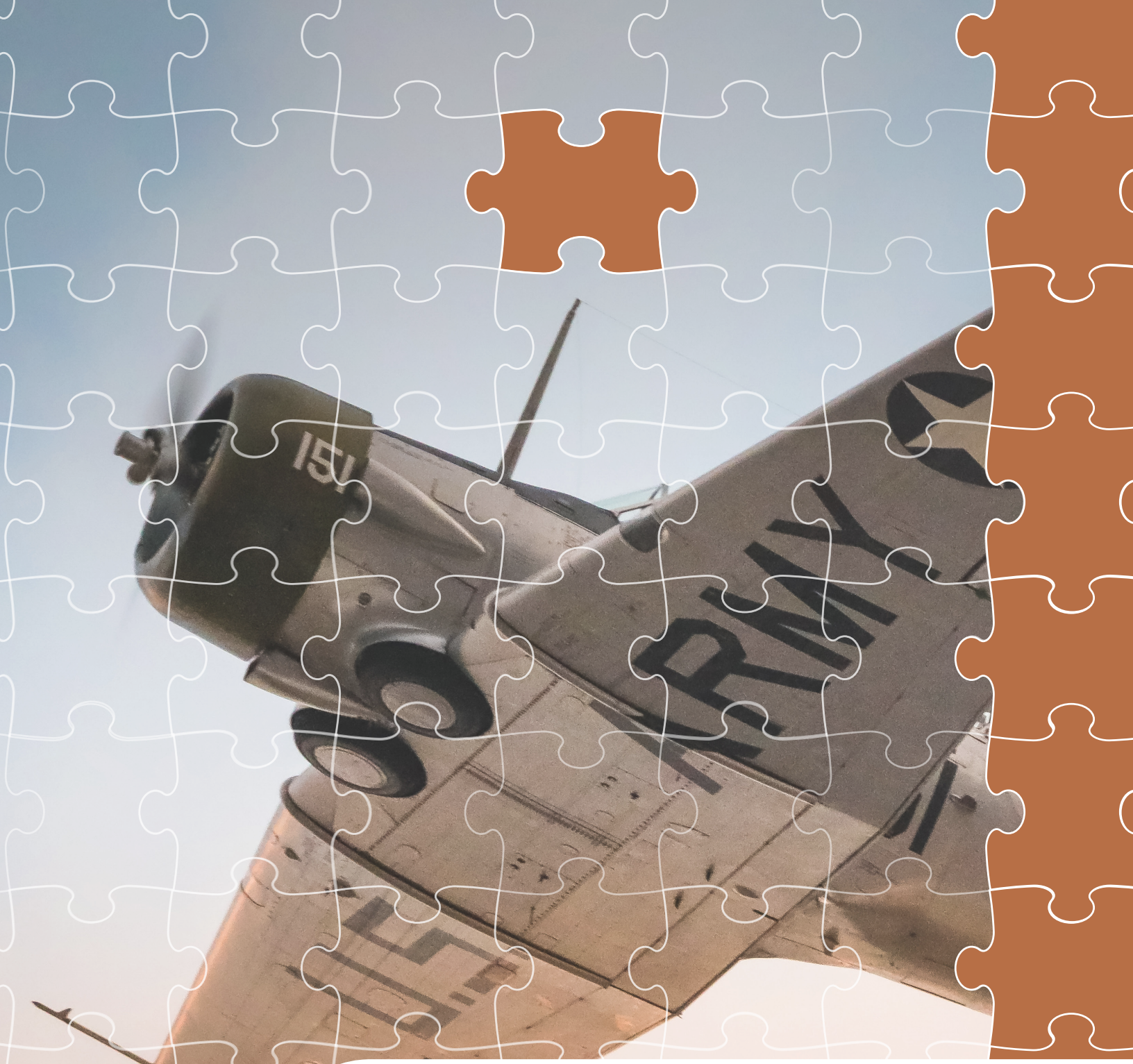
GASB Statement No. 102, *Certain Risk Disclosures* – This statement provides users with information regarding concentrations or constraints and events that have occurred or will occur that make the entity vulnerable to substantial impact. This statement will be effective for the Town in fiscal year 2025. The Town will evaluate the potential impact on the Town's net position.

GASB Statement No. 103, *Financial Reporting Model Improvements* – This statement enhances financial reporting of the MD&A, clarifying the presentation of unusual items, defining operating versus nonoperating revenues and expenses, and requiring more detailed and comparable data for decision making and accountability. This statement will be effective for the Town in fiscal year 2026. The Town will evaluate the potential impact on the Town's net position.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – This statement mandates enhanced disclosures for specific capital assets, including lease, subscription, and intangible assets, as well as capital assets held for sale to improve consistency and transparency. This statement will be effective for the Town in fiscal year 2026. The Town will evaluate the potential impact on the Town's net position.

F. Subsequent Events

On October 9, 2024 the Town issued $10,015,000 Combination Tax and Revenue Certificates of Obligation, Series 2024 to fund various governmental and stormwater projects. Additionally, on October 25, 2024 the Town received $15,000,000 in State Infrastructure Bank Loan proceeds to fund various governmental projects.



REQUIRED
Supplementary Info

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios (Unaudited)
Last Ten Measurement Years

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018
Total pension liability:					
Service cost	$ 2,819,937	$ 3,120,695	$ 2,740,122	$ 2,862,674	$ 3,028,227
Interest (on the Total Pension Liability)	8,660,470	9,031,058	7,721,380	8,023,052	8,365,372
Changes in benefit terms including substantively automatic status	-	-	(20,027,692)	-	-
Difference between expected and actual experience	(987,858)	(1,253,581)	(37,547)	827,177	154,569
Change in assumptions	-	467,077	-	-	-
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)	(7,455,524)
Net change in total pension liability	5,299,104	5,861,074	(15,642,716)	5,719,862	4,092,644
Total pension liability - beginning	124,907,757	130,206,861	136,067,935	120,425,219	126,145,081
Total pension liability - ending (a)	130,206,861	136,067,935	120,425,219	126,145,081	130,237,725
Plan fiduciary net position:					
Contributions - employer	1,789,255	1,824,122	1,743,443	1,942,088	2,066,662
Contributions - employee	1,224,976	1,257,382	1,266,899	1,323,808	1,382,710
Net investment income	6,157,338	164,587	7,376,667	15,717,180	(3,781,614)
Benefit payments, including refunds of employee contributions	(5,193,445)	(5,504,175)	(6,038,979)	(5,993,041)	(7,455,524)
Administrative expense	(64,289)	(100,255)	(83,336)	(81,484)	(73,147)
Other	(5,286)	(4,952)	(4,490)	(4,130)	(3,822)
Net change in plan fiduciary net position	3,908,549	(2,363,291)	4,260,204	12,904,421	(7,864,735)
Plan fiduciary net position - beginning	107,639,477	111,548,026	109,184,735	113,444,939	126,349,361
Plan fiduciary net position - ending (b)	111,548,026	109,184,735	113,444,939	126,349,360	118,484,626
Net pension liability/(asset) - ending (a) - (b)	$ 18,658,835	$ 26,883,200	$ 6,980,280	$ (204,279)	$ 11,753,098
Plan fiduciary net position as a percentage of total pension liability	85.67%	80.24%	94.20%	100.16%	90.98%
Covered payroll	$ 17,479,153	$ 17,945,341	$ 18,098,559	$ 18,895,541	$ 19,727,861
Net pension liability/(asset) as a percentage of covered payroll	106.75%	149.81%	38.57%	-1.08%	59.58%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and shows information for 10 years.

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Schedule of the Town's Changes in Net Pension Liability/(Asset) and Related Ratios, Continued (Unaudited)
Last Ten Measurement Years

	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023
Total pension liability:					
Service cost	$ 3,261,975	$ 3,442,943	$ 3,866,304	$ 4,286,332	$ 4,548,329
Interest (on the Total Pension Liability)	8,672,125	9,077,037	9,468,644	10,750,024	11,170,825
Changes in benefit terms including substantively automatic status	-	-	-	12,571,126	(1,423,556)
Difference between expected and actual experience	857,318	800,065	666,896	888,494	1,365,121
Change in assumptions	402,607	-	-	-	(708,771)
Benefit payments, including refunds of employee contributions	(6,785,567)	(7,786,079)	(7,674,193)	(7,924,945)	(8,871,484)
Net change in total pension liability	6,408,458	5,533,966	6,327,651	20,571,031	6,080,464
Total pension liability - beginning	130,237,725	136,646,183	142,180,149	148,507,800	169,078,831
Total pension liability - ending (a)	136,646,183	142,180,149	148,507,800	169,078,831	175,159,295
Plan fiduciary net position:					
Contributions - employer	2,259,912	2,450,696	2,796,361	2,935,832	4,345,761
Contributions - employee	1,480,167	1,551,077	1,725,318	1,768,002	1,890,636
Net investment income	18,296,106	10,128,771	18,211,116	(11,283,212)	16,207,573
Benefit payments, including refunds of employee contributions	(6,785,567)	(7,786,079)	(7,674,193)	(7,924,945)	(8,871,484)
Administrative expense	(103,502)	(65,634)	(84,389)	(97,832)	(103,373)
Other	(3,109)	(2,561)	578	116,744	(721)
Net change in plan fiduciary net position	15,144,007	6,276,270	14,974,790	(14,485,412)	13,468,392
Plan fiduciary net position - beginning	118,484,627	133,628,634	139,904,902	154,879,692	140,394,280
Plan fiduciary net position - ending (b)	133,628,634	139,904,904	154,879,692	140,394,280	153,862,672
Net pension liability/(asset) - ending (a) - (b)	$ 3,017,549	$ 2,275,245	$ (6,371,892)	$ 28,684,551	$ 21,296,623
Plan fiduciary net position as a percentage of total pension liability	97.79%	98.40%	104.29%	83.03%	87.84%
Covered payroll	$ 21,140,471	$ 22,112,672	$ 24,516,829	$ 25,303,021	$ 27,009,082
Net pension liability/(asset) as a percentage of covered payroll	14.27%	10.29%	-25.99%	113.36%	78.85%

Changes in assumptions: In the 2015 valuation the investment rate of return decreased from 7.0% to 6.75%; the inflation rate was lowered from 3.0% to 2.5%; the experience study for retirement age was updated.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability/(asset) and shows information for 10 years.

REQUIRED SUPPLEMENTARY INFORMATION
Texas Municipal Retirement System
Schedule of Town Contributions (Unaudited)
September 30, 2024

Fiscal Year	(1) Actuarially determined contribution	(2) Contribution in relation to the actuarially determined contribution	(3) = (2) - (1) Contribution excess (deficiency)	(4) Covered payroll	(5) = (1) / (4) Actuarially determined contributions as a percentage of covered payroll	(6) = (2) / (4) Contributions as a percentage of covered payroll
2015	1,874,383	1,874,383	-	18,804,927	9.97%	9.97%
2016	1,786,827	1,786,827	-	18,465,892	9.68%	9.68%
2017	1,893,931	1,893,931	-	18,796,558	10.08%	10.08%
2018	2,136,195	2,136,195	-	19,933,808	10.72%	10.72%
2019	2,172,375	2,172,375	-	21,064,448	10.31%	10.31%
2020	2,259,912	2,259,912	-	21,140,471	10.69%	10.69%
2021	2,450,696	2,450,696	-	22,268,039	11.01%	11.01%
2022	2,796,361	2,796,361	-	24,627,157	11.35%	11.35%
2023	4,059,743	4,059,743	-	25,387,992	15.99%	15.99%
2024	4,741,162	4,741,162	-	27,034,653	17.54%	17.54%

Notes to Schedule

Valuation Date:
Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumption Used to Determine Contribution Rate for 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 Years (longest amortization ladder)
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes	Adopted 30% non-retroactive repeating COLA.

REQUIRED SUPPLEMENTARY INFORMATION

Retiree Healthcare Plan
Schedule of Changes in the Town's Net/Total OPEB Liability and Related Ratios (Unaudited)
Last Seven Measurement Years (Previous years are not available)

Total OPEB liability:	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
Total OPEB liability - beginning	$ 2,881,200	$ 3,152,539	$ 3,160,157	$ 3,434,751
Service cost	135,826	176,485	151,275	223,105
Interest on the total OPEB liability	110,017	105,055	117,504	94,810
Difference between expected and actual experience of the total OPEB liability	(4,477)	(45,102)	(1,268)	(82,782)
Changes of assumptions	153,032	(94,984)	144,221	182,815
Benefit payments	(123,059)	(133,836)	(137,138)	(197,332)
Net change in total OPEB liability	271,339	7,618	274,594	220,616
Total OPEB liability - ending	$ 3,152,539	$ 3,160,157	$ 3,434,751	$ 3,655,367
Covered-employee payroll	$ 18,897,760	$ 20,042,555	$ 21,353,599	$ 22,268,039
Total OPEB liability as a percentage of covered-employee payroll	16.68%	15.77%	16.09%	16.42%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2018	2019	2020	2021	2022	2023
3.31%	3.71%	2.75%	2.00%	1.84%	4.05%	6.50%

The information in the schedule has been determined as of the measurement date (December 31) of the Town's net/total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION

Retiree Healthcare Plan

Schedule of Changes in the Town's Net/Total OPEB Liability and Related Ratios, Continued (Unaudited)

Last Seven Measurement Years (Previous years are not available)

Total OPEB liability:	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023
Service cost	$ 221,235	$ 253,278	$ 167,694
Interest on the total OPEB liability	73,244	70,518	112,023
Difference between expected and actual experience of the total OPEB liability	10,432	(557,603)	45,040
Changes of assumptions	60,506	(563,188)	(742,694)
Benefit payments	(207,607)	(214,624)	(238,815)
Net change in total OPEB liability	157,810	(1,011,619)	(656,752)
Total OPEB liability - beginning	3,655,367	3,813,177	2,801,558
Total OPEB liability - ending (a)	3,813,177	2,801,558	2,144,806
Plan fiduciary net position:			
Employer contributions	-	-	858,815
Net investment Income	-	-	65,900
Benefit payments	-	-	(238,815)
Net change in plan fiduciary net position	-	-	685,900
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	-	-	685,900
Net/total OPEB liability - ending (a) - (b)	$ 3,813,177	$ 2,801,558	$ 1,458,906
Plan fiduciary net position as a percentage of net/total OPEB liability	0.00%	0.00%	31.98%
Covered-employee payroll	$ 24,627,157	$ 25,387,992	$ 27,041,396
Net/total OPEB liability as a percentage of covered-employee payroll	15.48%	11.03%	5.40%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2018	2019	2020	2021	2022	2023
3.31%	3.71%	2.75%	2.00%	1.84%	4.05%	6.50%

The information in the schedule has been determined as of the measurement date (December 31) of the Town's net/total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION
Retiree Healthcare Plan
Schedule of Town Contributions (Unaudited)
September 30, 2024

	(1)	(2)	(3) = (2) - (1)	(4)	(5) = (1) / (4)	(6) = (2) / (4)
Fiscal Year	Actuarially determined contribution	Contribution in relation to the actuarially determined contribution	Contribution excess (deficiency)	Covered payroll	Actuarially determined contributions as a percentage of covered payroll	Contributions as a percentage of covered payroll
2024	285,287	285,287	-	27,034,653	1.06%	1.06%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumption Used to Determine Contribution Rate for 2024:

Actuarial Cost Method	Individual Entry-Age Normal
Single Discount Rate	6.50% as of December 31, 2023
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2022 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Healhcare Cost Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	It was assumed that 50% of employees who retire before age 65 and 90% of employees who retire at age 65 or older who are eligible for a subsidy will choose to participate. For the participants that retire before age 65, it was assumed that 10% would discontinue their coverage at age 65.

Other Information:

Notes	The Single Discount Rate changed from 4.05% as of December 31, 2022 to 6.50% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS experience study.

REQUIRED SUPPLEMENTARY INFORMATION

TMRS Supplemental Death Benefits Fund (SDBF)
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios (Unaudited)
Last Seven Measurement Years (Previous years are not available)

Total OPEB liability:	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
Total OPEB liability - beginning	$ 794,578	$ 918,237	$ 878,424	$ 1,105,399
Service cost	20,785	25,646	25,369	37,592
Interest on the total OPEB liability	30,321	30,720	32,942	30,824
Differences between expected and actual experience	-	(21,647)	(10,521)	(11,779)
Changes of assumptions	78,222	(68,614)	185,527	183,470
Benefit payments	(5,669)	(5,918)	(6,342)	(6,634)
Net change in total OPEB liability	123,659	(39,813)	226,975	233,473
Total OPEB liability - ending	$ 918,237	$ 878,424	$ 1,105,399	$ 1,338,872
Covered-employee payroll	$ 18,895,541	$ 19,727,861	$ 21,140,471	$ 22,122,672
Total OPEB liability as a percentage of covered-employee payroll	4.86%	4.45%	5.23%	6.05%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2018	2019	2020	2021	2022	2023
3.31%	3.71%	2.75%	2.00%	1.84%	4.05%	3.77%

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.

REQUIRED SUPPLEMENTARY INFORMATION

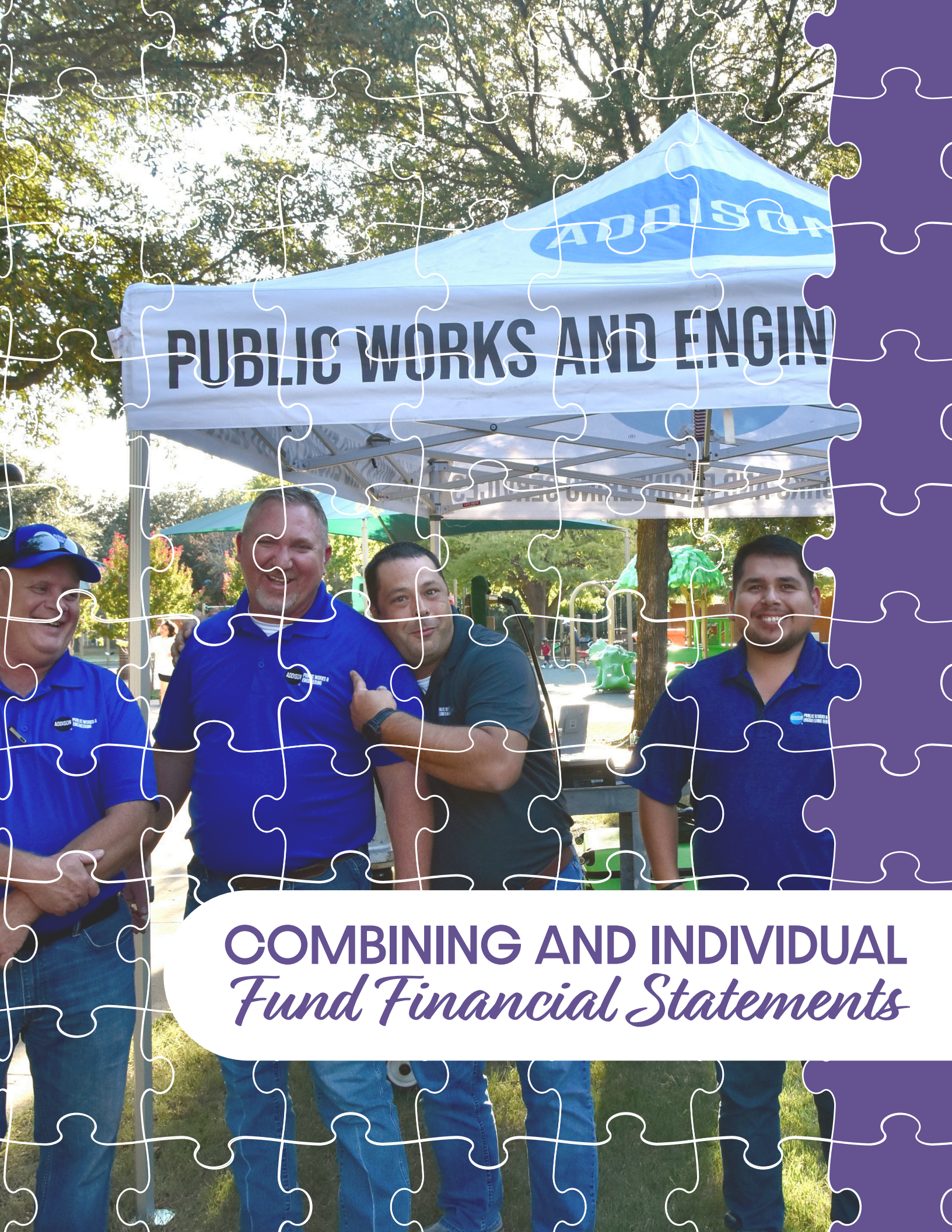
TMRS Supplemental Death Benefits Fund (SDBF)
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios, Continued (Unaudited)
Last Seven Measurement Years (Previous years are not available)

Total OPEB liability:	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023
Total OPEB liability - beginning	$ 1,338,872	$ 1,451,514	$ 997,488
Service cost	58,840	60,727	32,411
Interest on the total OPEB liability	27,145	27,034	40,453
Differences between expected and actual experience	3,010	(10,975)	3,489
Changes of assumptions	45,712	(505,509)	55,578
Benefit payments	(22,065)	(25,303)	(29,710)
Net change in total OPEB liability	112,642	(454,026)	102,221
Total OPEB liability - ending	$ 1,451,514	$ 997,488	$ 1,099,709
Covered-employee payroll	$ 24,516,829	$ 25,303,021	$ 27,009,082
Total OPEB liability as a percentage of covered-employee payroll	5.92%	3.94%	4.07%

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2018	2019	2020	2021	2022	2023
3.31%	3.71%	2.75%	2.00%	1.84%	4.05%	3.77%

The information in the schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods of which such information is available are presented.



COMBINING AND INDIVIDUAL *Fund Financial Statements*

DEBT SERVICE FUND

The **General Obligation Debt Service Fund** accounts for the accumulation of resources to be used for payment of principal and interest on the general obligation bonded debt of the Town.

General Obligation Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2024

	2024			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Current Property Taxes	$ 9,480,895	$ 9,480,895	$ 9,485,931	$ 5,036
Delinquent Property Taxes	(35,000)	(35,000)	(186,727)	(151,727)
Penalties and Interest	20,000	20,000	27,671	7,671
Net Investment Income/(Loss)	30,000	30,000	126,498	96,498
Other	-	-	6,942	6,942
Total Revenues	9,495,895	9,495,895	9,460,315	(35,580)
EXPENDITURES:				
Principal Retirement	6,840,000	6,840,000	6,840,000	-
Interest and Fiscal Charges	3,516,435	3,516,435	3,516,237	198
Total Expenditures	10,356,435	10,356,435	10,356,237	198
Excess/(Deficiency) of Revenues over Expenditures	(860,540)	(860,540)	(895,922)	(35,382)
OTHER FINANCING SOURCES/(USES):				
Transfers In	875,540	875,540	875,540	-
Net Change in Fund Balance	15,000	15,000	(20,382)	(35,382)
Fund Balances at Beginning of Year	747,328	747,328	747,328	-
Fund Balances at End of Year	$ 762,328	$ 762,328	$ 726,946	$ (35,382)

NON-MAJOR GOVERNMENTAL FUNDS

The **Municipal Court Fund** accounts for the Town's court building security and technology fees that are generated from court citation fines. According to state law, the revenue generated from these fees may only be spent on the municipal court.

The **Public Safety Fund** accounts for awards of monies or property by the courts relating to cases that involve the Addison Police Department.

The **Grant Fund** fund accounts for grant monies that are received prior to the related expenditure, and therefore, the fund may carry a balance from year to year if the Town does not expend the monies within the fiscal year. The fund also accounts for expenditures for which the Town expects to be reimbursed.

The **Economic Development Fund** accumulates resources to support efforts that attract commercial enterprises to Addison and encourage existing businesses to remain in Addison.

The **PEG Fees Fund** accounts for state restricted fees collected and the expenditures using these monies.

Non-Major Governmental Funds
Combining Balance Sheet
September 30, 2024

	Special Revenue Funds					
	Municipal Court Fund	Public Safety Fund	Grant Fund	Economic Development Fund	PEG Fees Fund	Total Nonmajor Governmental Funds
ASSETS:						
Pooled Cash and Investments	$ 451,443	$ 45,156	$ 78,027	$ 2,916,833	$ 11,684	$ 3,503,143
Receivables:						
Ad Valorem Taxes, Including Interest and Penalties, Net	-	-	-	16,850	-	16,850
Interest	1,940	80	336	13,152	52	15,560
Total Assets	$ 453,383	$ 45,236	$ 78,363	$ 2,946,835	$ 11,736	$ 3,535,553
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:						
Liabilities:						
Accounts Payable and Accrued Liabilities	$ 61,171	$ 25,509	$ 8,974	$ 56,685	$ -	$ 152,339
Total Liabilities	61,171	25,509	8,974	56,685	-	152,339
Deferred Inflows of Resources:						
Unavailable Resources	-	-	-	16,850	-	16,850
Total Deferred Inflows of Resources	-	-	-	16,850	-	16,850
Fund Balances:						
Restricted						
Child Safety	201,648	-	-	-	-	201,648
Justice Administration	81,973	-	-	-	-	81,973
Court Technology	67,192	-	-	-	-	67,192
Court Security	41,399	-	-	-	-	41,399
Public Safety	-	19,727	69,389	-	-	89,116
Governmental Public Education	-	-	-	-	11,736	11,736
Committed:						
Economic Development	-	-	-	2,873,300	-	2,873,300
Total Fund Balance	392,212	19,727	69,389	2,873,300	11,736	3,366,364
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 453,383	$ 45,236	$ 78,363	$ 2,946,835	$ 11,736	$ 3,535,553

Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2024

	Special Revenue Funds					
	Municipal Court Fund	Public Safety Fund	Grant Fund	Economic Development Fund	PEG Fees Fund	Total Nonmajor Governmental Funds
REVENUES:						
Ad Valorem Taxes	$ -	$ -	$ -	$ 1,387,809	$ -	$ 1,387,809
Franchise Fees	-	-	-	-	25,938	25,938
Intergovernmental	-	9,146	42,089	-	-	51,235
Service Fees	-	-	-	18,700	-	18,700
Fines and Forfeitures	57,542	-	-	-	-	57,542
Net Investment Income/(Loss)	31,612	617	2,685	232,318	2,150	269,382
Other	2	-	500	-	-	502
Total Revenues	89,156	9,763	45,274	1,638,827	28,088	1,811,108
EXPENDITURES:						
General Government	-	-	-	-	86,673	86,673
Public Safety	-	6,058	43,557	-	-	49,615
Development Services	-	-	8,504	-	-	8,504
Municipal Court	28,698	-	-	-	-	28,698
Economic Development	-	-	-	1,358,034	-	1,358,034
Total Expenditures	28,698	6,058	52,061	1,358,034	86,673	1,531,524
Excess/(Deficiency) of Revenues over/(under) Expenditures	60,458	3,705	(6,787)	280,793	(58,585)	279,584
Net Change in Fund Balance	60,458	3,705	(6,787)	280,793	(58,585)	279,584
Fund Balances at Beginning of Year	331,754	16,022	76,176	2,592,507	70,321	3,086,780
Fund Balances at End of Year	$ 392,212	$ 19,727	$ 69,389	$ 2,873,300	$ 11,736	$ 3,366,364

Municipal Court Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2024

	2024			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and Forfeitures	$ 29,872	$ 29,872	$ 57,542	$ 27,670
Net Investment Income/(Loss)	4,100	4,100	31,612	27,512
Other	-	-	2	2
Total Revenues	33,972	33,972	89,156	55,184
EXPENDITURES:				
Salaries and Fringe Benefits	29,171	29,171	26,037	3,134
Supplies	4,000	4,000	437	3,563
Maintenance and Materials	1,000	1,000	-	1,000
Contractual Services	27,500	27,500	2,224	25,276
Total Expenditures	61,671	61,671	28,698	32,973
Net Change in Fund Balance	(27,699)	(27,699)	60,458	88,157
Fund Balance at Beginning of Year	331,754	331,754	331,754	-
Fund Balance at End of Year	$ 304,055	$ 304,055	$ 392,212	$ 88,157

Public Safety Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2024

	2024			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	$ -	$ -	$ 9,146	$ 9,146
Net Investment Income/(Loss)	750	750	617	(133)
Total Revenues	750	750	9,763	9,013
EXPENDITURES:				
Supplies	10,000	10,000	-	10,000
Contractual Services	-	-	6,058	(6,058)
Total Expenditures	10,000	10,000	6,058	3,942
Net Change in Fund Balance	(9,250)	(9,250)	3,705	12,955
Fund Balance at Beginning of Year	16,022	16,022	16,022	-
Fund Balance at End of Year	$ 6,772	$ 6,772	$ 19,727	$ 12,955

Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2024

	2024			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	$ 8,100	$ 8,100	$ 42,089	$ 33,989
Net Investment Income/(Loss)	400	400	2,685	2,285
Other	-	-	500	500
Total Revenues	8,500	8,500	45,274	36,774
EXPENDITURES:				
Salaries and Fringe Benefits	-	-	2,624	(2,624)
Supplies	-	-	1,899	(1,899)
Contractual Services	13,700	62,387	47,538	14,849
Total Expenditures	13,700	62,387	52,061	10,326
Net Change in Fund Balance	(5,200)	(53,887)	(6,787)	47,100
Fund Balance at Beginning of Year	76,176	76,176	76,176	-
Fund Balance at End of Year	$ 70,976	$ 22,289	$ 69,389	$ 47,100

Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2024

	2024			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad Valorem Taxes	$ 1,401,782	$ 1,401,782	$ 1,387,809	$ (13,973)
Service Fees	60,000	60,000	18,700	(41,300)
Net Investment Income/(Loss)	40,000	40,000	232,318	192,318
Total Revenues	1,501,782	1,501,782	1,638,827	137,045
EXPENDITURES:				
Salaries and Fringe Benefits	465,625	465,625	432,330	33,295
Supplies	15,317	15,317	7,986	7,331
Maintenance and Materials	10,040	10,040	1,116	8,924
Contractual Services	1,102,244	1,102,244	906,887	195,357
Capital Replacement	9,715	9,715	9,715	-
Total Expenditures	1,602,941	1,602,941	1,358,034	244,907
Net Change in Fund Balance	(101,159)	(101,159)	280,793	381,952
Fund Balance at Beginning of Year	2,592,507	2,592,507	2,592,507	-
Fund Balance at End of Year	$ 2,491,348	$ 2,491,348	$ 2,873,300	$ 381,952

PEG Fees Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended September 30, 2024

	2024			
	Budget		Actual GAAP Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Franchise Fees	$ 40,000	$ 40,000	$ 25,938	$ (14,062)
Net Investment Income/(Loss)	3,000	3,000	2,150	(850)
Total Revenues	43,000	43,000	28,088	(14,912)
EXPENDITURES:				
Supplies	-	-	1,239	(1,239)
Capital Outlay	75,000	87,000	85,434	1,566
Total Expenditures	75,000	87,000	86,673	327
Net Change in Fund Balance	(32,000)	(44,000)	(58,585)	(14,585)
Fund Balance at Beginning of Year	70,321	70,321	70,321	-
Fund Balance at End of Year	$ 38,321	$ 26,321	$ 11,736	$ (14,585)

PROPRIETARY FUNDS

Internal Service Funds:
Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

The **Capital Replacement Fund** is used to account for financial resources set aside annually to replace equipment as its useful life is consumed.

The **Information Technology Replacement Fund** is used to account for financial resources set aside annually to replace technology as its useful life is consumed.

The **Facility Maintenance Fund** is used to account for financial resources set aside annually to repair and improve Town facilities as their useful lives are consumed.

Internal Service Funds
Combining Statement of Net Position
September 30, 2024

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total
ASSETS:				
Current Assets:				
Pooled Cash and Investments	$ 4,209,098	$ 4,364,340	$ 1,267,784	$ 9,841,222
Interest Receivable	18,466	19,024	5,317	42,807
Prepaid Items	-	54,215	-	54,215
Total Current Assets	4,227,564	4,437,579	1,273,101	9,938,244
Non-Current Assets:				
Capital and Subscription Assets:				
Construction in Progress	708,747	-	8,584	717,331
Buildings	-	-	6,597	6,597
Machinery and Equipment	11,039,382	6,449,170	52,785	17,541,337
Subscription Assets	-	598,107	-	598,107
Accumulated Depreciation and Amortization	(5,939,384)	(4,312,174)	(10,808)	(10,262,366)
Total Capital and Subscription Assets, Net of Accumulated Depreciation and Amortization	5,808,745	2,735,103	57,158	8,601,006
Total Assets	10,036,309	7,172,682	1,330,259	18,539,250
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	119,958	108,112	93,690	321,760
Accrued Interest Payable	-	5,509	-	5,509
Current Maturities of Long-Term Liabilities	-	75,225	-	75,225
Total Current Liabilities	119,958	188,846	93,690	402,494
Non-Current Liabilities				
Long-Term Liabilities, Net of Current Portion	-	346,206	-	346,206
Total Liabilities	119,958	535,052	93,690	748,700
NET POSITION:				
Net Investment in Capital Assets	5,688,785	2,254,562	48,574	7,991,921
Unrestricted	4,227,566	4,383,068	1,187,995	9,798,629
Total Net Position	$ 9,916,351	$ 6,637,630	$ 1,236,569	$ 17,790,550

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended September 30, 2024

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total Internal Service Funds
OPERATING REVENUES:				
Department Contributions	$ 1,415,000	$ 805,963	$ 425,000	$ 2,645,963
Total Operating Revenues	1,415,000	805,963	425,000	2,645,963
OPERATING EXPENSES:				
Supplies	-	9,692	-	9,692
Maintenance and Materials	-	51,672	748,471	800,143
Total Operating Expenses (Excluding Depreciation and Amortization)	-	61,364	748,471	809,835
Depreciation and Amortization	1,006,974	553,492	7,408	1,567,874
Total Operating Expenses	1,006,974	614,856	755,879	2,377,709
OPERATING INCOME	408,026	191,107	(330,879)	268,254
NON-OPERATING REVENUES/(EXPENSES):				
Net Investment Income/(Loss)	378,725	307,385	109,312	795,422
Gain/(Loss) on Disposal of Assets	80,360	1,398	-	81,758
Interest Expense and Fiscal Charges	-	(10,287)	-	(10,287)
Total Non-Operating Revenues/(Expenses)	459,085	298,496	109,312	866,893
CHANGE IN NET POSITION	867,111	489,603	(221,567)	1,135,147
Net Position at Beginning of Year	9,049,240	6,148,027	1,458,136	16,655,403
Net Position at End of Year	$ 9,916,351	$ 6,637,630	$ 1,236,569	$ 17,790,550

Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2024

	Capital Replacement	Information Technology Replacement	Facility Maintenance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Department Contributions	$ 1,415,000	$ 805,963	$ 425,000	$ 2,645,963
Payments to Suppliers	-	(100,044)	(682,908)	(782,952)
Net Cash Provided/(Used) by Operating Activities	1,415,000	705,919	(257,908)	1,863,011
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital and Subscription Assets	(2,044,505)	(592,976)	(22,750)	(2,660,231)
Proceeds from Sale of Capital Assets	80,360	1,398	-	81,758
Principal Paid on Long-Term Debt	-	(85,259)	-	(85,259)
Interest and Fiscal Charges Paid on Long-Term Debt	-	(9,551)	-	(9,551)
Net Cash Used by Capital and Related Financing Activities	(1,964,145)	(686,388)	(22,750)	(2,673,283)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Cash and Investments	383,523	310,158	111,288	804,969
Net Cash Provided/(Used) by Investing Activities	383,523	310,158	111,288	804,969
Net Increase/(Decrease) in Cash and Cash Equivalents	(165,622)	329,689	(169,370)	(5,303)
Cash and Cash Equivalents, October 1	4,374,720	4,034,651	1,437,154	9,846,525
Cash and Cash Equivalents, September 30	$ 4,209,098	$ 4,364,340	$ 1,267,784	$ 9,841,222
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	$ 408,026	$ 191,107	$ (330,879)	$ 268,254
Adjustments to Reconcile Income/(Loss) from Operations to Net Cash Provided/(Used) by Operating Activities:				
Depreciation and Amortization	1,006,974	553,492	7,408	1,567,874
Change in Assets and Liabilities:				
(Increase)/Decrease in Prepaid Items	-	(54,215)	-	(54,215)
Increase/(Decrease) in Accounts Payable	-	15,535	65,563	81,098
Net Cash Provided/(Used) by Operating Activities	$ 1,415,000	$ 705,919	$ (257,908)	$ 1,863,011
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Assets in Accounts Payable	$ 119,958	$ 59,110	$ 8,584	$ 187,652
Net Non-Cash Items from Capital and Related Financing Activities	$ 119,958	$ 59,110	$ 8,584	$ 187,652

STATISTICAL *Section*

STATISTICAL SECTION

(Unaudited)

The Statistical Section presents detailed information to assist in understanding the information in the financial statements, note disclosures, and required supplementary information. It includes five categories of information:

Financial Trends (tables 1-6) – contain trend information to help the reader understand how the government's financial position has changed over time.

Revenue Capacity (tables 7-10) – contain information to help the reader assess the government's ability to generate its own revenues.

Debt Capacity (tables 11-15) – present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information (tables 16-18) – offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the government's financial activities take place.

Operating Information (tables 19-21) – contain employee and capital asset data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	$ 121,444,364	$ 122,079,968	$ 124,922,785	$ 125,983,819	$ 125,521,642	$ 121,008,111	$ 118,883,370	$ 115,283,708	$ 116,634,762	$ 119,852,579
Restricted for:										
Debt Service	555,279	660,955	500,094	310,619	83,524	63,194	661,804	770,005	830,459	822,997
Promotion of Tourism and Hotel Industry	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095	3,239,356	2,710,600	4,972,399	5,879,548	6,242,117
Child Safety	190,635	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297	201,648
Justice Administration	63,638	30,952	21,851	23,222	52,722	56,887	33,404	72,179	89,137	110,866
Court Technology	91,942	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669	67,192
Building Security	176,512	63,655	53,584	-	-	-	-	-	-	-
Court Security	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544	41,399
Public Safety	-	-	33,238	84,870	101,240	123,730	112,729	124,490	100,768	97,987
Other purposes	25,484	33,694	191,575	242,042	303,147	359,096	402,711	218,003	70,321	11,736
Pensions	-	-	-	-	-	-	-	6,022,075	-	-
Unrestricted	7,051,958	7,031,223	29,561,964	31,164,711	33,180,155	31,791,785	39,204,079	37,432,655	36,849,868	41,830,227
Total Net Position - Governmental Activities	$ 132,148,273	$ 133,982,840	$ 159,827,601	$ 162,141,330	$ 162,847,569	$ 156,813,363	$ 162,205,683	$ 165,124,157	$ 160,726,373	$ 169,278,748
Business-type Activities										
Net Investment in Capital Assets	$ 63,308,088	$ 62,547,252	$ 65,363,662	$ 64,971,096	$ 63,424,919	$ 69,493,275	$ 68,126,836	$ 68,142,152	$ 69,671,931	$ 91,697,938
Restricted for:										
Pensions	-	-	-	-	-	-	-	349,817	-	-
Unrestricted	23,121,874	24,910,364	22,218,951	22,483,060	25,438,188	25,266,288	28,001,455	31,634,802	43,947,677	36,226,013
	$ 86,429,962	$ 87,457,616	$ 87,582,613	$ 87,454,156	$ 88,863,107	$ 94,759,563	$ 96,128,291	$ 100,126,771	$ 113,619,608	$ 127,923,951
Primary Government										
Net Investment in Capital Assets	$ 184,752,452	$ 184,627,220	$ 190,286,447	$ 190,954,915	$ 188,946,561	$ 190,501,386	$ 187,010,206	$ 183,425,860	$ 186,306,693	$ 211,550,517
Restricted for:										
Debt Service	555,279	660,955	500,094	310,619	83,524	63,194	661,804	770,005	830,459	822,997
Promotion of Tourism and Hotel Industry	2,529,271	3,869,581	4,334,037	4,167,549	3,449,095	3,239,356	2,710,600	4,972,399	5,879,548	6,242,117
Child Safety	190,635	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297	201,648
Justice Administration	63,638	30,952	21,851	23,222	52,722	56,887	33,404	72,179	89,137	110,866
Court Technology	91,942	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669	67,192
Building Security	176,512	63,655	53,584	-	-	-	-	-	-	-
Court Security	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544	41,399
Public Safety	-	-	33,238	84,870	101,240	123,730	112,729	124,490	100,768	97,987
Other Purposes	25,484	33,694	191,575	242,042	303,147	359,096	402,711	218,003	70,321	11,736
Pensions	-	-	-	-	-	-	-	6,371,892	-	-
Unrestricted	30,173,832	31,941,587	51,780,915	53,647,771	58,618,343	57,058,073	67,205,534	69,067,457	80,797,545	78,056,240
Total Net Position - Primary Government	$ 218,578,235	$ 221,440,456	$ 247,410,214	$ 249,595,486	$ 251,710,676	$ 251,572,926	$ 258,333,974	$ 265,250,928	$ 274,345,981	$ 297,202,699

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Note: 2016 and prior Public Safety included in Other Purposes. Starting in 2017, Public Safety is separate from Other Purposes.

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2015	2016	2017	2018
Expenses				
Governmental Activities:				
General Government	$ 8,730,944	$ 10,015,214	$ 7,184,325	$ 10,218,620
Public Safety	16,820,899	17,528,619	7,021,636	17,814,777
Development Services	1,032,105	1,278,232	100,924	1,379,071
Streets	8,105,373	6,567,732	6,660,591	7,249,140
Parks and Recreation	5,517,049	5,796,136	4,259,992	6,068,682
Visitor Services	6,106,103	7,537,477	6,839,484	7,118,492
Interest on Long-Term Debt	3,018,672	2,417,435	1,713,819	2,038,203
Total Governmental Activities	49,331,145	51,140,845	33,780,771	51,886,985
Business-type Activities:				
Airport	5,893,611	6,454,693	6,509,127	6,996,377
Utilities	10,748,886	10,821,202	10,081,401	12,708,842
Storm Water	848,354	2,092,187	1,408,133	820,337
Total Business-type Activities	17,490,851	19,368,082	17,998,661	20,525,556
Total Expenses - Primary Government	$ 66,821,996	$ 70,508,927	$ 51,779,432	$ 72,412,541
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	$ 688,005	$ 753,062	$ 961,336	$ 407,531
Public Safety	945,217	1,070,517	947,071	848,523
Development Services	1,015,053	774,364	1,242,223	1,414,425
Streets	400,561	375,564	391,126	414,493
Parks and Recreation	82,681	74,719	86,595	82,122
Visitor Services	1,890,522	3,532,634	3,249,506	2,206,293
Operating Grants and Contributions	25,806	27,472	51,063	106,322
Capital Grants and Contributions	158,253	148,518	-	121,578
Total Governmental Activities	5,206,098	6,756,850	6,928,920	5,601,287
Business-type Activities:				
Charges for Services:				
Airport	5,138,479	5,387,660	5,479,786	6,197,849
Utilities	9,877,262	10,576,707	10,983,136	12,178,231
Storm Water	1,726,526	1,883,841	2,034,484	2,140,112
Operating Grants and Contributions	-	129,093	50,000	121,226
Capital Grants and Contributions	1,025,835	2,130,601	148,158	395,372
Total Business-type Activities	17,768,102	20,107,902	18,695,564	21,032,790
Total Program Revenues - Primary Government	$ 22,974,200	$ 26,864,752	$ 25,624,484	$ 26,634,077
Net (Expense)/Revenue				
Governmental Activities	$ (44,125,047)	$ (44,383,995)	$ (26,851,851)	$ (46,285,698)
Business-Type Activities	277,251	739,820	696,903	507,234
Total Net Expense - Primary Government	$ (43,847,796)	$ (43,644,175)	$ (26,154,948)	$ (45,778,464)
General Revenues				
Taxes:				
Property Taxes, Levied for General Purposes	$ 20,385,225	$ 22,593,188	$ 23,572,225	$ 23,600,531
Sales Taxes	14,104,584	13,847,507	15,126,354	17,734,689
Franchise Taxes	2,828,420	3,074,519	2,664,422	2,624,458
Hotel/Motel Taxes	5,510,406	6,132,432	5,996,924	5,507,072
Net Investment Income/(Loss)	181,811	316,288	472,896	831,714
Gain/(Loss) on Disposal of Capital Assets	-	-	-	27,311
Gain on Disposition of Debt	-	-	-	-
Miscellaneous	590,619	581,628	3,736,791	292,272
Transfers	-	-	800,000	500,000
Total General Revenues and Transfers	43,601,065	46,545,562	52,369,612	51,118,047
Business-type Activities				
Net Investment Income/(Loss)	100,928	151,937	185,046	335,367
Gain/(Loss) on Disposal of Capital Assets	-	-	-	(242,744)
Public-Private Partnership Revenues	-	-	-	-
Miscellaneous	512,888	135,897	43,048	22,102
Transfers	-	-	(800,000)	(500,000)
Total Business-type Activities	613,816	287,834	(571,906)	(385,275)
Change in Net Position				
Governmental Activities	(523,982)	2,161,567	25,517,761	4,832,349
Business-type Activities	891,067	1,027,654	124,997	121,959
Total Change in Net Position - Primary Government	$ 367,085	$ 3,189,221	$ 25,642,758	$ 4,954,308

SOURCE: Town of Addison Annual Comprehensive Financial Reports

2019	2020	2021	2022	2023	2024
$ 10,149,540	$ 10,206,304	$ 9,265,244	$ 9,416,452	$ 13,791,308	$ 11,089,043
19,855,190	20,337,267	20,235,377	20,331,699	30,645,228	24,091,139
3,137,715	3,320,919	3,437,779	3,061,515	4,536,840	4,029,364
7,677,651	8,326,816	7,619,194	10,669,363	8,555,527	8,365,960
6,840,345	6,784,214	6,675,787	7,023,671	8,851,065	9,329,919
6,884,597	4,310,828	5,011,538	5,396,612	6,543,984	7,173,628
1,938,010	2,153,845	2,007,306	2,179,219	2,705,036	2,818,589
56,483,048	55,440,193	54,252,225	58,078,531	75,628,988	66,897,642
6,574,351	6,893,786	6,235,571	6,758,415	8,696,459	8,050,603
12,329,112	12,361,224	13,100,779	14,753,989	17,167,507	16,111,864
1,427,551	1,361,880	1,065,470	1,060,602	1,660,577	2,169,762
20,331,014	20,616,890	20,401,820	22,573,006	27,524,543	26,332,229
$ 76,814,062	$ 76,057,083	$ 74,654,045	$ 80,651,537	$ 103,153,531	$ 93,229,871
$ 763,244	$ 770,105	$ 595,391	$ 802,863	$ 928,417	$ 1,085,319
916,430	889,868	1,027,810	1,214,031	1,432,620	1,362,025
1,379,721	1,227,095	852,648	1,155,862	1,254,806	1,662,437
403,676	505,545	796,446	2,916,935	466,103	1,242,171
64,453	34,914	74,703	56,442	242,373	372,437
1,834,700	286,892	1,088,609	1,140,565	1,272,806	1,503,962
100,904	634,082	2,934,576	2,243,757	399,776	113,369
130,000	100	228,952	25,000	301,890	100,000
5,593,128	4,348,601	7,599,135	9,555,455	6,298,791	7,441,720
6,725,125	5,392,936	5,588,284	7,160,453	5,978,554	6,192,257
11,847,562	12,818,071	13,272,935	15,524,151	16,244,659	16,399,919
2,237,953	2,322,350	2,521,318	2,561,054	2,551,299	2,611,611
69,241	207,000	107,000	198,000	50,000	100,000
457,426	1,358,225	120,726	2,054,675	1,402,987	9,071,985
21,337,307	22,098,582	21,610,263	27,498,333	26,227,499	34,375,772
$ 26,930,435	$ 26,447,183	$ 29,209,398	$ 37,053,788	$ 32,526,290	$ 41,817,492
$ (50,889,920)	$ (51,091,592)	$ (46,653,090)	$ (48,523,076)	$ (69,330,197)	$ (59,455,922)
1,006,293	1,481,692	1,208,443	4,925,327	(1,297,044)	8,043,543
$ (49,883,627)	$ (49,609,900)	$ (45,444,647)	$ (43,597,749)	$ (70,627,241)	$ (51,412,379)
$ 25,180,507	$ 27,005,415	$ 29,960,335	$ 30,443,817	$ 33,454,168	$ 35,759,402
16,258,669	15,036,200	16,113,549	17,409,213	18,286,374	18,586,162
2,513,414	2,227,367	1,989,938	2,116,496	2,157,699	2,059,519
5,436,211	3,232,320	2,702,204	4,545,644	5,445,315	5,343,107
1,365,659	1,116,915	85,076	(3,607,419)	4,036,686	5,009,875
12,935	21,503	364,018	7,187	-	966
-	-	-	-	219,680	-
328,764	207,898	774,276	526,612	423,086	512,526
500,000	(3,790,232)	56,014	-	909,405	736,740
51,596,159	45,057,386	52,045,410	51,441,550	64,932,413	68,008,297
833,703	569,513	32,098	(1,094,374)	2,989,902	4,484,345
-	24,005	103,818	42,044	-	35,427
-	-	-	-	12,578,484	2,433,506
68,955	31,014	80,383	125,483	130,900	44,262
(500,000)	3,790,232	(56,014)	-	(909,405)	(736,740)
402,658	4,414,764	160,285	(926,847)	14,789,881	6,260,800
706,239	(6,034,206)	5,392,320	2,918,474	(4,397,784)	8,552,375
1,408,951	5,896,456	1,368,728	3,998,480	13,492,837	14,304,343
$ 2,115,190	$ (137,750)	$ 6,761,048	$ 6,916,954	$ 9,095,053	$ 22,856,718

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable:										
Inventories	$ 63,176	$ 41,001	$ 39,550	$ 54,843	$ 34,155	$ 20,946	$ 47,161	$ 41,092	$ 57,529	$ 35,872
Prepaid Items	267,357	84,681	449,442	442,875	470,103	60,668	497,647	636,808	601,698	76,488
Unassigned	11,271,328	12,765,117	15,879,046	20,465,238	20,083,986	20,052,825	19,698,867	19,837,481	20,023,732	20,744,075
Total General Fund	11,601,861	12,890,799	16,368,038	20,962,956	20,588,244	20,134,439	20,243,675	20,515,381	20,682,959	20,856,435
All Other Governmental Funds										
Nonspendable:										
Prepaid Items	-	50,836	38,669	-	-	-	-	-	-	-
Restricted for:										
Debt Service	831,366	541,074	370,527	168,535	17,993	6,335	573,411	652,117	747,328	726,946
Promotion of Tourism & Hotel Industry	2,529,271	3,861,008	4,331,245	4,122,537	3,449,095	3,149,259	2,710,600	4,641,300	5,330,207	5,954,770
Capital Projects	40,901,630	33,162,293	21,834,283	13,687,452	11,067,329	39,199,567	46,856,016	45,061,870	37,280,119	26,918,461
Child Safety	88,479	98,540	86,906	84,284	90,718	110,712	126,062	140,935	166,297	201,648
Justice Administration	28,893	30,952	21,851	23,222	23,829	27,994	33,404	43,286	60,244	81,973
Court Technology	77,831	86,147	74,667	33,370	27,831	27,651	32,421	41,069	53,669	67,192
Building Security	63,789	63,655	53,584	-	-	-	-	-	-	-
Court Security	19,190	28,125	46,900	46,844	37,495	32,841	38,503	46,639	51,544	41,399
Public Safety	-	30,521	31,059	82,691	95,319	115,696	112,729	116,509	92,198	89,116
Other Purposes	25,484	327,000	191,575	242,042	303,147	359,096	402,711	218,003	70,321	11,736
Committed for:										
Capital Projects	-	-	7,688,169	8,120,427	8,951,963	10,368,778	13,511,945	14,429,924	18,496,810	21,470,642
Economic Development	752,819	968,178	1,257,093	1,437,025	1,797,019	1,968,832	2,012,219	1,980,287	2,592,507	2,873,300
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	45,318,752	39,248,329	36,026,528	28,048,429	25,861,738	55,366,761	66,410,021	67,371,939	64,941,244	58,437,183
Total Governmental Funds	$ 56,920,613	$ 52,139,128	$ 52,394,566	$ 49,011,385	$ 46,449,982	$ 75,501,200	$ 86,653,696	$ 87,887,320	$ 85,624,203	$ 79,293,618

SOURCE: Town of Addison Annual Comprehensive Financial Reports

Changes in Fund Balances,
Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2015	2016	2017	2018
REVENUES:				
Ad Valorem Taxes	$ 20,560,124	$ 22,559,004	$ 23,521,642	$ 23,783,670
Non-Property Taxes	19,728,511	20,181,697	21,217,028	23,148,710
Franchise Fees	2,828,420	3,074,519	2,664,422	2,624,458
Licenses and Permits	1,011,223	768,964	1,225,373	1,404,035
Intergovernmental	180,612	160,619	15,565	16,228
Service Fees	2,543,707	4,463,789	4,520,358	3,620,748
Fines and Forfeitures	764,144	603,282	468,734	358,737
Earnings on Investments	277,680	372,088	472,896	831,714
Rental Charges	1,201,389	949,956	704,701	635,165
Recycling Proceeds	10,403	2,426	3,258	11,407
Other	199,880	377,608	391,883	324,961
Total Revenues	49,306,093	53,513,952	55,205,860	56,759,833
EXPENDITURES:				
Current:				
General Government	7,657,465	7,598,584	8,057,632	8,381,216
Public Safety	16,699,726	16,301,539	16,945,126	17,919,259
Development Services	1,090,973	1,207,871	1,158,967	1,374,246
Streets	1,803,139	1,791,257	1,942,584	1,895,171
Parks and Recreation	4,755,341	4,912,455	5,020,975	5,054,566
Visitor Services	5,454,910	7,077,371	7,595,136	6,780,909
Municipal Court	60,426	17,610	66,616	75,904
Economic Development	1,281,649	1,349,920	1,747,750	1,475,201
Debt Service:				
Principal Retirement	5,473,152	5,800,151	5,618,331	4,909,148
Interest and Fiscal Charges	3,417,820	3,089,643	2,810,607	2,631,422
Capital Projects:				
Maintenance and Materials	-	-	-	-
Engineering and Contractual Services	5,076,254	62,647	416,179	758,687
Construction and Equipment	3,840,912	9,086,389	7,583,129	9,414,596
Total Expenditures	56,611,767	58,295,437	58,963,032	60,670,325
Excess/(Deficiency) of Revenues over/(under) Expenditures	(7,305,674)	(4,781,485)	(3,757,172)	(3,910,492)
OTHER FINANCING SOURCES/(USES):				
Payment to Refunded Bond Escrow Agent	-	-	-	-
Issuance of Debt	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-
Leases (as Lessee)	-	-	-	-
Transfers In	5,226,082	2,349,124	7,624,205	3,618,152
Transfers Out	(5,226,082)	(2,349,124)	(6,824,205)	(3,118,152)
Sale of Governmental Assets	-	-	3,212,610	27,311
Subscriptions	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	4,012,610	527,311
Net Change in Fund Balance	$ (7,305,674)	$ (4,781,485)	$ 255,438	$ (3,383,181)
Debt Service as a Percentage of Non-Capital Expenditures	18.38%	18.07%	16.41%	14.71%

SOURCE: Town of Addison Annual Comprehensive Financial Reports

2019	2020	2021	2022	2023	2024
$ 25,196,771	$ 26,876,741	$ 29,869,955	$ 30,578,292	$ 33,396,217	$ 35,679,220
21,595,724	18,432,169	18,488,945	21,701,243	23,705,974	23,970,642
2,513,414	2,227,367	1,989,938	2,116,496	2,157,699	2,059,519
1,366,941	1,183,285	824,908	1,120,552	1,219,541	1,639,875
193,904	471,145	3,148,053	2,250,134	396,176	122,017
2,997,653	2,157,047	2,795,244	3,162,551	3,545,405	4,238,533
415,721	263,146	197,335	359,142	458,972	408,472
1,365,659	1,116,915	85,076	(3,607,419)	4,036,686	5,322,284
566,257	270,001	94,303	124,445	153,874	178,012
616	162	2,471	2,546	-	-
254,100	306,147	1,078,332	2,477,924	895,440	1,290,247
56,466,760	53,304,125	58,574,560	60,285,906	69,965,984	74,908,821
8,923,060	8,946,301	9,203,895	9,510,413	10,223,389	10,374,550
18,708,501	19,215,910	20,669,001	21,487,192	23,494,743	25,411,567
1,350,598	1,501,596	1,560,348	1,644,970	1,935,585	2,330,619
1,777,128	1,799,513	1,951,588	2,047,734	2,275,695	2,267,291
5,520,903	5,407,703	5,695,541	6,108,572	6,587,120	7,244,930
7,313,226	3,622,979	4,634,221	5,177,008	5,636,836	6,769,146
53,096	19,400	2,938	4,826	10,314	28,698
1,553,813	1,647,246	1,839,493	1,328,152	1,402,616	1,358,034
4,280,000	4,105,000	4,985,000	5,889,926	6,623,508	7,025,109
2,475,279	2,915,428	2,725,605	2,952,920	3,406,032	3,534,179
-	-	-	-	-	-
1,469,752	1,780,857	993,326	3,580,551	1,795,052	2,418,084
6,115,742	6,792,067	9,780,860	20,119,010	17,075,143	13,735,085
59,541,098	57,754,000	64,041,816	79,851,274	80,466,033	82,497,292
(3,074,338)	(4,449,875)	(5,467,256)	(19,565,368)	(10,500,049)	(7,588,471)
-	(13,090,212)	(4,261,861)	(9,477,585)	-	-
-	43,740,000	19,165,000	28,425,000	6,800,000	-
-	2,829,802	1,352,595	1,844,390	291,055	-
-	-	-	-	236,472	-
5,686,504	3,992,900	3,844,950	2,225,875	4,681,874	5,375,540
(5,186,504)	(3,992,900)	(3,844,950)	(2,225,875)	(3,772,469)	(4,500,000)
12,935	21,503	364,018	7,187	-	966
-	-	-	-	-	381,380
512,935	33,501,093	16,619,752	20,798,992	8,236,932	1,257,886
$ (2,561,403)	$ 29,051,218	$ 11,152,496	$ 1,233,624	$ (2,263,117)	$ (6,330,585)
12.98%	13.81%	14.37%	14.96%	15.98%	15.40%

GENERAL GOVERNMENTAL REVENUES BY SELECTED SOURCES

Last Ten Fiscal Years

Fiscal Year	Taxes	Franchise Fees	Licenses and Permits	Inter-governmental	Service Fees	Fines and Forfeitures	Net Investment Income/(Loss)	Rental Charges	Other (1)	Total
2015	$ 40,288,635	$ 2,828,420	$ 1,011,223	$ 180,612	$ 2,543,707	$ 764,144	$ 277,680	$ 1,201,389	$ 10,403	$ 49,106,213
2016	42,740,701	3,074,519	768,964	160,619	4,463,789	603,282	372,088	949,956	2,426	53,136,344
2017	44,738,670	2,664,422	1,225,373	15,565	4,520,358	468,734	472,896	704,701	3,258	54,813,977
2018	46,932,380	2,624,458	1,404,035	16,228	3,620,748	358,737	831,714	635,165	336,368	56,759,833
2019	46,792,495	2,513,414	1,366,941	193,904	2,997,653	415,721	1,365,659	566,257	254,716	56,466,760
2020	45,308,910	2,227,367	1,183,285	471,145	2,157,047	263,146	1,116,915	270,001	306,309	53,304,125
2021	48,358,900	1,989,938	824,908	3,148,053	2,795,244	197,335	85,076	94,303	1,080,803	58,574,560
2022	52,279,535	2,116,496	1,120,552	2,250,134	3,162,551	359,142	(3,607,419)	124,445	2,480,470	60,285,906
2023	57,102,191	2,157,699	1,219,541	396,176	3,545,405	458,972	4,036,686	153,874	895,440	69,965,984
2024	59,649,862	2,059,519	1,639,875	122,017	4,238,533	408,472	5,322,284	178,012	1,290,247	74,908,821

Table includes General, Special Revenue, Capital Project, and Debt Service Funds

Notes: (1) Includes recycling fees and contributions.

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	General Government(2)	Public Safety	Development Services	Streets	Parks and Recreation	Visitor Services(1)	Economic Development	Debt Service	Total
2015	$ 7,717,891	$ 16,699,726	$ 1,090,973	$ 1,803,139	$ 4,755,341	$ 5,454,910	$ 1,281,649	$ 8,890,972	$ 47,694,601
2016	7,616,194	16,301,539	1,207,871	1,791,257	4,912,455	7,077,371	1,349,920	8,889,794	49,146,401
2017	8,124,248	16,945,126	1,158,967	1,942,584	5,020,975	7,595,136	1,747,750	8,428,938	50,963,724
2018	8,401,512	17,919,259	1,374,246	1,895,171	5,054,566	5,547,740	1,474,105	8,830,443	50,497,042
2019	8,976,156	18,708,501	1,350,598	1,777,128	5,520,903	7,313,226	1,553,813	6,755,279	51,955,604
2020	8,965,701	19,215,910	1,501,596	1,799,513	5,407,703	3,622,979	1,647,246	7,020,428	49,181,076
2021	9,206,833	20,669,001	1,560,348	1,951,588	5,695,541	4,634,221	1,839,493	7,710,605	53,267,630
2022	9,515,239	21,487,192	1,644,970	2,047,734	6,108,572	5,177,008	1,328,152	8,842,846	56,151,713
2023	10,233,703	23,494,743	1,935,585	2,275,695	6,587,120	5,636,836	1,402,616	10,029,540	61,595,838
2024	10,403,248	25,411,567	2,330,619	2,267,291	7,244,930	6,769,146	1,358,034	10,559,288	66,344,123

Table includes General, Special Revenue, and Debt Service funds.

Notes:

(1) Hotel Fund

(2) Includes Municipal Court

SUMMARY OF TAX REVENUES AND FRANCHISE FEES
Last Ten Fiscal Years

Fiscal Year	Property Taxes[1]	1% Town Sales Tax	Mixed Beverage Taxes	Franchise Fees	Hotel Occupancy Tax	Total
2015	$ 20,560,124	$ 13,038,912	$ 1,176,643	$ 2,828,420	$ 5,512,956	$ 43,117,055
2016	22,559,004	12,831,723	1,211,761	3,074,519	6,138,213	45,815,220
2017	23,521,642	14,032,616	1,229,708	2,664,422	5,954,703	47,403,091
2018	23,783,670	16,449,993	1,146,633	2,624,458	5,552,084	49,556,838
2019	25,196,771	15,017,082	1,151,057	2,513,414	5,427,585	49,305,909
2020	26,876,741	14,302,624	888,599	2,227,367	3,240,946	47,536,277
2021	29,869,955	14,881,277	1,084,108	1,989,938	2,523,560	50,348,838
2022	30,578,292	15,997,283	1,350,605	2,116,496	4,353,355	54,396,031
2023	33,396,217	16,661,868	1,360,467	2,157,699	5,683,639	59,259,890
2024	35,679,220	17,298,041	1,297,720	2,059,519	5,374,881	61,709,381

Table includes General, Special Revenue, Capital Project, and Debt Service funds.

Notes:
(1) Includes penalty and interest.

ASSESSED AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Real Property Assessed Value[1]	Personal Property Assessed Value	Less Tax-Exempt Property Assessed Value	Total Taxable Value	Total Direct Tax Rate[2]
2015	2014	$ 3,538,702,310	$ 685,963,840	$ (419,085,309)	$ 3,805,580,841	0.5618
2016	2015	3,742,314,940	722,808,570	(428,399,743)	4,036,723,767	0.5792
2017	2016	3,996,508,870	757,661,770	(453,899,085)	4,300,271,555	0.5605
2018	2017	4,179,274,260	730,791,690	(459,532,446)	4,450,533,504	0.5500
2019	2018	4,477,513,780	729,708,210	(481,462,821)	4,725,759,169	0.5500
2020	2019	4,557,534,840	759,254,790	(496,882,188)	4,819,907,442	0.5835
2021	2020	4,438,590,218	718,946,820	(498,128,042)	4,659,408,996	0.6087
2022	2021	4,774,627,130	747,592,040	(544,899,165)	4,977,320,005	0.6147
2023	2022	5,326,669,270	836,635,330	(586,987,979)	5,576,316,621	0.6098
2024	2023	5,876,574,880	901,325,120	(658,748,049)	6,119,151,951	0.6098

SOURCE: Dallas Central Appraisal District

Notes:
(1) Assessed value is 100% of estimated market value.
(2) Per $100 of valuation.

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER $100 OF ASSESSED VALUE)
Last Ten Fiscal Years

	City Direct Rates[1]			Overlapping Rates[2]					
Fiscal Year	Operating General Rates	General Obligation Debt Service	Total Direct Ad Valorem Rate	Dallas County	Community College District	Dallas ISD	Carrollton/ Farmers Branch ISD	Dallas County Hospital District	Total Ad Valorem Rate
2015	0.3437	0.2181	0.5618	0.2531	0.1248	1.2820	1.3033	0.2860	2.5077
2016	0.3767	0.2024	0.5792	0.2431	0.1237	1.2921	1.2817	0.2860	2.5240
2017	0.3812	0.1793	0.5605	0.2431	0.1229	1.2914	1.3810	0.2794	2.4973
2018	0.3970	0.1530	0.5500	0.2431	0.1242	1.2921	1.3810	0.2794	2.4888
2019	0.4074	0.1426	0.5500	0.2431	0.1240	1.4220	1.3700	0.2794	2.6185
2020	0.4341	0.1494	0.5835	0.2431	0.1240	1.3204	1.2684	0.2695	2.5405
2021	0.4411	0.1676	0.6087	0.2397	0.1240	1.3067	1.2547	0.2661	2.5453
2022	0.4411	0.1736	0.6147	0.2279	0.1235	1.2582	1.2013	0.2550	2.4794
2023	0.4451	0.1647	0.6098	0.2179	0.1159	1.1949	1.1429	0.2358	2.3744
2024	0.4503	0.1595	0.6098	0.2157	0.1100	1.0138	0.9836	0.2195	2.1689

SOURCE: Dallas County Tax Office

Notes:

(1) The Town's operating tax rate may be increased only by a majority vote of the City Council up to the limit prescribed by State law, after which the Town's residents may petition for a vote. Rates for debt service are set based on each year's requirements.

(2) Overlapping rates are those of local and county governments that apply to property owners within the Town of Addison. The Carrollton/Farmers Branch ISD tax rate is excluded from the total Ad Valorem rate because most of the property owners in Addison are within the Dallas ISD geographic boundaries.

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Actual Levy Year	Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
			Current Tax Collections	Percentage of Levy		Total Tax Collections	Percentage of Levy
2015	2014	$ 21,430,622	$ 20,641,789	96.3%	$ (125,202)	$ 20,516,587	95.7%
2016	2015	23,445,994	22,584,093	96.3%	(77,086)	22,507,007	96.0%
2017	2016	24,175,503	23,458,172	97.0%	(6,535)	23,451,637	97.0%
2018	2017	24,531,963	23,833,997	97.2%	(115,949)	23,718,048	96.7%
2019	2018	26,050,652	25,281,036	97.0%	(142,606)	25,138,430	96.5%
2020	2019	28,199,326	27,322,025	96.9%	(418,445)	26,903,580	95.4%
2021	2020	30,018,305	30,015,545	100.0%	(319,924)	29,695,621	98.9%
2022	2021	30,630,834	30,800,200	100.6%	(304,814)	30,495,386	99.6%
2023	2022	34,094,138	33,664,494	98.7%	(369,985)	33,294,509	97.7%
2024	2023	37,430,304	36,265,947	96.9%	(590,405)	35,675,542	95.3%

SOURCE: Dallas County Tax Office

Notes:

(1) Negative amounts represent refunds of taxes to property owners who appealed their values for the current year (or previous years) to the Dallas Central Appraisal District and received lower valuations as a result of the appeal.

RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities				
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Leases (1)	Subscriptions (2)	General Obligation Bonds	Certificates of Obligation	Total Primary Government	Percentage of Personal Income (%)	Per Capita
2015	$ 48,157,452	$ 37,513,716	$ -	$ -	$ 1,805,000	$ 24,545,293	$ 112,021,461	14.93	$ 7,213
2016	65,165,138	15,642,986	-	-	8,122,465	17,312,599	106,243,188	14.10	6,810
2017	59,974,766	14,009,287	-	-	7,663,243	16,305,591	97,952,887	12.89	6,227
2018	56,085,819	12,309,771	-	-	7,186,019	15,274,984	90,856,593	10.65	5,765
2019	51,888,184	11,604,403	-	-	6,410,005	28,118,950	98,021,542	11.31	6,123
2020	63,729,611	28,222,499	-	-	5,615,515	27,095,962	124,663,587	15.55	7,895
2021	75,791,264	26,773,149	-	-	11,834,241	19,445,154	133,843,808	16.24	8,245
2022	90,963,718	25,948,703	501,060	-	11,279,388	21,134,268	149,827,137	16.41	8,455
2023	89,857,949	26,846,571	359,345	353,589	10,722,006	22,181,712	150,321,172	15.13	8,483
2024	83,430,278	25,630,015	285,984	691,060	9,682,305	21,052,082	140,771,724	14.07	7,893

SOURCE: Town of Addison Annual Comprehensive Financial Reports.
See Table 16 for personal income and population data.

(1) The Town implemented GASB 87 Leases in the fiscal year ended September 30, 2022. Lease balances are not available before this date.
(2) The Town implemented GASB 96 Subscription-Based Information Technology Arrangements in the fiscal year ended September 30, 2023. Subscription balances are not available before this date.

RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds[1]	Certificates of Obligation[1]	Less: Amounts Available in Debt Service Fund [2]	Total Outstanding Debt	Percentage of Actual Taxable Value (%)	Per Capita
2015	$ 49,962,452	$ 62,059,009	$ 831,367	$ 111,190,094	2.92	$ 7,159.70
2016	73,287,603	32,955,585	541,075	105,702,113	2.62	6,775.78
2017	67,638,009	30,314,878	370,527	97,582,360	2.27	6,203.58
2018	63,271,838	27,584,755	168,535	90,688,058	2.04	5,754.32
2019	57,654,198	39,023,647	17,993	96,659,852	2.05	6,121.59
2020	69,345,126	55,318,461	6,333	124,657,254	2.59	7,894.70
2021	87,625,505	46,218,303	573,411	133,270,397	2.86	8,166.08
2022	102,243,107	47,082,971	652,117	148,673,961	2.99	8,390.18
2023	100,579,954	49,028,283	747,328	148,860,909	2.67	8,400.25
2024	93,112,583	46,682,097	726,946	139,067,734	2.27	7,797.46

NOTES: (1) The schedule of general bonded debt includes general obligation debt of both governmental activities and business-type activities, including premiums and discounts of the associated debt.
(2) This is the amount restricted for debt service principal payments at the fund level.

SOURCE: Town of Addison Annual Comprehensive Financial Reports
See Table 8 for taxable values and Table 16 for population data.

DIRECT AND OVERLAPPING DEBT

Year Ended September 30, 2024

Taxing Jurisdiction	Debt	Percent Applicable[1]	Estimated Share of Overlapping Debt
Carrollton-Farmers Branch ISD	$ 643,675,000	1.72%	$ 11,071,210
Dallas County	198,645,000	1.43%	2,840,624
Dallas County Hospital District	527,660,000	1.43%	7,545,538
Dallas County Community College District	318,675,000	1.43%	4,557,053
Dallas ISD	4,064,130,000	2.77%	112,576,401
Total Overlapping Debt			138,590,826
Town of Addison (Direct Debt)	$ 110,037,337 (2)	100%	110,037,337
Total Direct and Overlapping Debt			$ 248,628,163
Ratio of Overlapping Debt to 2023 Taxable Assessed Valuation			4.06%
Per Capita Overlapping Debt			$ 13,940

SOURCE: Municipal Advisory Council of Texas
See Table 8 for taxable values and Table 16 for population data.

Notes:

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the assessed valuation of taxable property within both the overlapping taxing body and the Town's boundaries and dividing that shared value by the total taxable assessed value within the overlapping taxing body.

(2) Total debt shown for the Town of Addison excludes self-supporting debt and amount available for repayment in the Debt Service funds. It includes all bonded debt that is secured by ad valorem taxes, as well as leases and subscriptions.

SCHEDULE OF REVENUE BOND COVERAGE
UTILITY FUND
Last Ten Fiscal Years

Fiscal Year	Net Revenue Available for Debt Service			Debt Service Requirements[2]			Revenue Bond Coverage[3]
	Gross Revenue	Expense[1]	Net Revenue	Principal	Interest	Total	
2015	$ 10,241,191	$ 9,017,932	$ 1,223,259	$ -	$ -	$ -	N/A
2016	10,688,878	9,116,360	1,572,518	-	-	-	N/A
2017	11,087,788	8,988,724	2,099,064	-	-	-	N/A
2018	12,211,566	11,121,149	1,090,417	-	-	-	N/A
2019	11,939,132	10,729,825	1,209,307	-	-	-	N/A
2020	12,906,145	10,637,638	2,268,507	-	-	-	N/A
2021	13,365,766	11,487,878	1,877,888	-	-	-	N/A
2022	15,632,451	12,638,529	2,993,922	-	-	-	N/A
2023	16,368,412	14,936,764	1,431,648	-	-	-	N/A
2024	16,521,030	13,873,560	2,647,470	-	-	-	N/A

Notes:

(1) Includes "operating expenses excluding depreciation" and "non-operating expenses excluding interest expense".

(2) Includes principal and interest of revenue bonds only. It does not include the general obligation bonds or combination tax and revenue certificates of obligation reported in the enterprise fund.

(3) Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest. Revenue bonds were retired in fiscal year 2002. Current year debt associated with the Town's Utility (Water and Sewer) Fund is limited to general obligation bonds and combination tax and revenue certificates of obligation. This debt is secured by the Town's property taxes but is supported by Utility Fund net revenues.

SCHEDULE OF COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION COVERAGE
HOTEL FUND
Last Ten Fiscal Years

	Net Revenue Available for Debt Service			Debt Service Requirements			
Fiscal Year	Gross Revenue	Expenditure[1]	Net Revenue	Principal	Interest	Total	Bond Coverage[2]
2015	$ 7,512,047	$ 959,140	$ 6,552,907	$ 640,000	$ 70,800	$ 710,800	9.2
2016	9,680,180	1,156,760	8,523,420	660,001	52,050	712,051	12.0
2017	9,307,410	1,211,193	8,096,217	680,000	31,200	711,200	11.4
2018	7,889,706	1,027,977	6,861,729	700,000	10,500	710,500	9.7
2019	7,354,784	956,507	6,398,277	-	-	-	N/A
2020	3,707,143	796,479	2,910,664	-	-	-	N/A
2021	4,579,562	242,198	4,337,364	-	-	-	N/A
2022	7,449,829	229,056	7,220,773	-	-	-	N/A
2023	7,093,743	195,446	6,898,297	-	-	-	N/A
2024	7,393,709	186,527	7,207,182	-	-	-	N/A

Notes:

(1) Combination Tax and Revenue Certificates of Obligation bond covenants require only Conference Centre expenditures be considered when calculating bond coverage.

(2) Bond coverage is equal to net revenue available for debt service divided by total principal and interest.

DEMOGRAPHIC AND ECONOMIC STATISTICS
AS OF SEPTEMBER 30
Last Ten Fiscal Years

Fiscal Year	Estimated Population[1]	Assessed Valuations[2]	Personal Income (Thousands)	Per Capita Personal Income[3]	Labor Force[4]	Unemployment Rate[5]
2015	15,530	$ 3,805,580,841	$ 750,379	$ 48,318	3,583,846	3.9%
2016	15,600	4,036,723,767	753,761	48,318	3,703,129	3.9%
2017	15,730	4,300,271,555	760,042	48,318	3,778,245	3.3%
2018	15,760	4,450,533,504	852,821	54,113	3,859,214	3.4%
2019	15,790	4,725,759,169	854,444	54,113	3,943,271	3.2%
2020	15,790	4,819,907,442	801,927	50,787	3,973,806	6.1%
2021	16,320	4,659,408,996	828,844	50,787	4,109,810	5.4%
2022	17,720	4,977,320,005	912,793	51,512	4,256,428	3.5%
2023	17,721	5,576,316,621	993,847	56,083	4,376,741	3.7%
2024	17,835	6,119,151,951	1,000,240	61,577	4,516,541	3.5%

SOURCES:

(1) North Central Texas Council of Governments estimates

(2) Dallas Central Appraisal District

(3) United States Census American Community Survey; figures are based on the most current data available.

(4) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the Dallas, Fort Worth, Arlington Metro Area.

(5) Texas Workforce Commission - Effective January 2005, data for cities of less than 25,000 was no longer provided. The information presented represents the City of Farmers Branch, a neighboring city.

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

		2024			2015		
Name of Taxpayer	Nature of Property	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Valuation
Post Apartment Homes LP	Apartments	298,000,000	1	4.87%			
FPG Colonnade LP	Land, Office Buildings	241,534,000	2	3.95%	200,040,430	1	5.26%
SAVOYE 2 LLC	Apartments	162,031,320	3	2.65%	55,571,490	10	1.46%
DCO Realty Inc	Land, Office Buildings	158,929,750	4	2.60%			
VPDEV 1 LLC	Mixed Use Development	112,301,610	5	1.84%			
Fiori LLC	Land, Apartments	104,000,000	6	1.70%	77,839,310	4	2.05%
VOP Partners LLC	Office Buildings	102,250,000	7	1.67%			
GS Addison Circle LLC	Apartments	101,000,000	8	1.65%			
AMLI Residential Properties LP	Apartments	99,682,130	9	1.63%			
Mary Kay Inc	Office Buildings	99,345,548	10	1.62%			
Post Properties Inc	Mixed Development				151,776,330	2	3.99%
COP Spectrum Center LLC	Office Buildings				80,800,000	3	2.12%
Real Pink Limited	Office Buildings				75,628,390	5	1.99%
5100 Belt Line Investors	Insurance				75,195,140	6	1.98%
Gaedeke Holdings IX LLC	Office Buildings				68,200,000	7	1.79%
MHSS-Addison LP	Land, Office Buildings				65,900,000	8	1.73%
SIR Properties Trust	Land, Office Buildings				55,735,000	9	1.46%
		$ 1,479,074,358		24.17%	$ 906,686,090		23.83%

SOURCE: Dallas County Tax Office (2024); Town of Addison ACFR (2015)

MAJOR EMPLOYERS

Current Year and Nine Years Ago

Company	Type of Business	2024 Estimated Number of Employees	2024 Percent of Total Employees [1]	2015 Estimated Number of Employees	2015 Percent of Total Employees
Bank of America	Finance	3,691	11.82%	3,500	3.89%
Mary Kay Cosmetics	Cosmetics	1,200	3.84%	1,200	1.33%
Concentra	Medical	600	1.92%	400	0.44%
Analog Devices, Inc	Manufacturing	500	1.60%	N/A	N/A
National Teachers Associates Life Insurance Company	Insurance	500	1.60%	N/A	N/A
Exponent HR	Professional Services	435	1.39%	N/A	N/A
Active Limousine Service	Transportation	400	1.28%	N/A	N/A
National Life Group	Insurance	350	1.12%	N/A	N/A
National Bankruptcy Services	Finance	306	0.98%	N/A	N/A
Google	Information	300	0.96%	N/A	N/A
IJUSTGOTHIT.COM	Professional Services	300	0.96%	N/A	N/A
Hilton Worldwide, Incorporated	Hospitality	N/A		616	0.68%
Rexel	Industrial Supplies	N/A		500	0.56%
Intercontinental Hotel	Hospitality	N/A		450	0.50%
Barnett Daffin Frappier Turner and Engel LLP	Mortgage	N/A		400	0.44%
United Surgical Partners	Medical	N/A		379	0.42%
USAA Financial Planning Services	Finance	N/A		374	0.42%
Zurich American Insurance Co.	Insurance	N/A		300	0.33%
Hitachi Consulting	Consulting	N/A		300	0.33%
Glazer's Family of Companies	Spirits	N/A		280	0.31%
Enforce Payment System LLC	IT/Finance	N/A		280	0.31%
Trinity Christian Academy	Education	N/A		250	0.28%
Affirmative Insurance	Insurance	N/A		250	0.28%
Assurant Solutions	Insurance	N/A		250	0.28%

Total employees per CoStar estimated employees in Addison[1]

SOURCE: CoStar (2024); Town of Addison ACFR (2015)

BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
City Manager's Office	8.0	7.5	6.5	6.5	7.5	7.5	6.9	6.5	6.5	5.5
Financial and Strategic Services	9.7	13.0	13.0	13.0	13.0	13.0	11.8	11.0	11.0	11.0
Municipal Court	5.7	5.8	5.8	5.8	5.0	5.0	5.0	5.0	5.0	5.0
General Services	5.0	5.0	4.8	4.8	5.5	5.5	5.5	5.5	6.0	7.5
Human Resources	3.5	4.0	4.0	4.0	4.0	4.0	3.4	3.0	3.0	3.0
Information Technology	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Total General Government	38.9	42.3	41.1	41.1	42.0	42.0	39.6	38.0	38.5	39.0
Public Safety										
Police	79.8	79.8	71.0	71.0	72.0	74.0	74.0	74.0	75.0	75.0
Emergency Communications	13.5	14.5	-	-	-	-	-	-	-	-
Fire	55.3	55.3	56.0	57.0	57.0	58.0	58.0	58.0	58.0	59.0
Total Public Safety	148.6	149.6	127.0	128.0	129.0	132.0	132.0	132.0	133.0	134.0
Development Services	7.2	7.2	11.0	11.0	12.0	13.0	13.1	14.1	15.1	19.1
Economic Development	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0
Public Works										
Streets	5.4	5.4	6.4	6.4	7.4	7.4	7.4	6.4	6.4	5.4
Stormwater	1.7	1.7	2.0	2.0	4.0	4.0	4.0	5.0	5.0	8.5
Utilities	16.6	17.6	19.2	19.2	22.2	25.2	27.4	28.2	28.2	28.7
Total Public Works	23.7	24.7	27.6	27.6	33.6	36.6	38.8	39.6	39.6	42.6
Parks and Recreation										
Parks	21.0	22.0	22.0	22.0	21.0	25.0	25.0	25.0	25.0	26.0
Recreation	15.1	15.1	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Total Parks and Recreation	36.1	37.1	37.7	37.7	36.7	40.7	40.7	40.7	40.7	41.7
Visitor Services										
Visitor Services	-	-	-	-	-	-	-	-	-	1.0
Conference Centre & Theatre	8.5	9.5	9.5	9.5	9.5	9.5	1.5	1.5	1.5	1.5
Special Events	4.3	4.3	4.2	4.2	4.5	4.5	4.5	4.5	6.0	6.0
Marketing	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Hotel Operations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Visitor Services	14.8	15.8	16.7	16.7	17.0	17.0	9.0	9.0	10.5	11.5
Airport Fund	3.0	3.0	3.4	3.4	4.4	4.4	19.6	20.4	21.6	21.6
Capital Improvements Program	-	-	-	-	-	-	3.0	3.0	3.0	4.0
TOTAL	276.3	283.7	268.5	269.5	278.7	289.7	299.8	300.8	306.0	316.5

SOURCE: Town of Addison Finance Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Crimes Against Property (1)	728	835	804	866	846	1,278	1,588	1,656	1,815	1,380
Crimes Against Persons (1)	55	97	106	61	91	414	514	521	524	464
Arrests	1,712	1,679	1,702	1,706	1,567	1,060	1,135	1,319	1,083	897
Calls for Service	17,181	20,700	17,163	17,092	17,298	16,190	19,009	20,313	15,516	18,145
Fire										
Number of Fires (2)	51	39	42	60	45	35	55	102	67	54
Dollar Loss (2)	$ 608,900	$ 686,920	$ 1,394,390	$ 3,324,215	$ 3,422,870	$ 277,360	$ 10,905,801	$ 897,952	$ 1,858,450	$ 781,370
Calls for Service - Fire	996	865	652	823	802	1,132	1,882	1,238	1,433	1,495
Calls for Service - EMS	1,730	1,765	1,683	1,608	1,726	2,181	2,312	2,636	2,716	2,736
Streets										
Tons of Recycling Collected	323	390	419	463	418	429	381	437	385	426
Parks										
Acres Maintained (3)	163	163	163	163	163	163	163	163	163	166
Recreation										
Recreation Event Participants	21,392	22,462	26,401	24,640	26,561	9,962	5,373	36,749	38,375	46,120
Number of Users (4)	122,656	122,111	126,287	123,961	126,228	76,016	72,074	72,481	114,680	131,986
Active Athletic Club Members	3,942	3,665	3,815	3,949	4,135	3,517	3,251	3,352	4,254	4,104
Utilities										
Water Usage - Peak (5)	11,093	8,846	7,652	8,803	8,073	8,983	9,298	10,698	10,692	8,595
Water Usage - Average (5)	4,682	4,628	4,672	4,895	4,478	4,477	5,367	5,418	5,469	4,703
Service Line Breaks	8	4	10	12	6	3	8	9	2	10
Water Main Breaks	4	2	7	4	4	1	3	1	3	3

Notes:
(1) Reporting structure changed in FY2020
(2) Addison only incidents
(3) Added three acres to include Addison Grove in FY2024
(4) Decrease in FY2020 due to partial closure of the athletic facility as a result of COVID-19
(5) In thousands of gallons

SOURCE: Town of Addison Department Data

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets - Paved (miles)	41	43	43	43	43	43	43	43	43	43
Lane Miles	164	167	167	167	167	167	167	167	167	167
Traffic Signals	36	36	36	37	37	37	37	37	37	37
Parks and Recreation										
Acres Maintained (1)	163	163	163	163	163	163	163	163	163	166
Parks	15	14	14	14	14	14	14	14	14	17
Playgrounds	5	3	3	3	3	3	3	3	3	3
Soccer/Football Fields	1	-	-	-	-	-	-	-	-	-
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (Miles)	80	80	96	96	96	96	97	97	97	97
Fire Hydrants	1,038	1,052	1,052	1,052	1,076	1,090	1,090	1,090	1,090	1,090
Wastewater										
Miles of Sanitary Sewers	66	66	75	75	72	72	73	73	73	73
Stormwater										
Miles of Storm Sewers	60	76	76	76	76	76	76	76	83	83

Notes:

(1) Added three acres to include Addison Grove in FY2024

SOURCE: Town of Addison Department Data

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